

CROWFLIGHT MINERALS INC.

Management Discussion and Analysis of financial condition and results of operations for the nine months ended September 30, 2005

Unless otherwise noted the information in this Management Discussion and Analysis (“M D & A”) is provided as at November 15, 2005.

The following MD&A should be read in conjunction with the Company’s Unaudited Financial Statements for the nine months ended September 30, 2005 and the Company’s Annual Audited Financial Statements and related notes for the year ended December 31, 2004. The reader should also read this M D & A in conjunction with the M D & A for the year ended December 31, 2004.

The statements for the nine months ended September 30, 2005 have not been reviewed by the Company’s auditors.

References to the first, second and third quarters of 2005 and the first, second and third quarters of 2004 mean the three months ended March 31, the three months ended June 30, and the three months ended September 30, 2005 and 2004 respectively.

SIGNIFICANT ACCOUNTING POLICIES:

A detailed summary of the Company’s significant accounting policies is included in note 3 of the Company’s Annual Audited Financial Statements for the year ended December 31, 2004.

OVERVIEW

Crowflight Minerals Inc. is a junior mineral exploration and development company exploring for copper, nickel and Platinum Group Metals (“PGM’s”) on several properties of high potential in the Thompson Nickel Belt, Manitoba, and Sudbury Basin area of Ontario, Canada.

The Company is in the process of exploring its mineral properties and has not yet determined whether these properties contain mineral resources that could be economically recoverable. The recoverability of amounts shown for mineral properties and related deferred expenditures is dependent upon the discovery of economically recoverable resources, 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.

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.

MINERAL PROPERTIES:

THOMPSON NICKEL BELT PROPERTIES – MANITOBA

On June 16, 2004 the Company entered into a joint venture agreement with Falconbridge Limited (“Falconbridge”) to explore and develop certain properties in the Thompson Nickel Belt (“TNB”), including: (1) the Bucko Nickel Deposit; and (2) five highly prospective properties (Bucko/Bowden, Resting Lake, Rock Island Lake, Halfway Lake and Gonlin Lake) within 30 kilometres of the Bucko Deposit.

The properties cover more than 190 square kilometres of mining leases and claims located in the Wabowden segment of the TNB, approximately 100 kilometres south of Inco Limited’s producing Thompson and Birchtree mines. The TNB hosts nickel mineralization along a well established geological trend, extending for over 250 kilometres. Inco produced more than 100 million pounds of nickel in 2003 along the same mineralized belt from its Thompson and Birchtree mines which host reported reserves of 34 million tonnes grading 2.19% nickel and 0.15% copper. The belt has yielded an estimated 4.5 billion pounds of nickel in past production. Crowflight’s partner, Falconbridge has been an active participant in the TNB since the early 1960’s and has produced an extensive technical database for this section of the TNB.

In January 2005, the Company entered into a second agreement with Falconbridge to acquire a 50% interest in six additional properties (Burntwood River, Birchtree South, Birchtree North, Airport, Moak Lake and Strong Lake) located adjacent to Inco’s Thompson and Birchtree mines on the TNB North Project. The properties cover approximately 250 square kilometres of mining leases and claims. The Company is required to spend \$5 million on or before April 30, 2008 in order that it earns its interest in the interests held by Falconbridge in these properties.

Crowflight - Falconbridge Agreements

Bucko Resource Block, Bucko-Bowden Property and Exploration Claims, Thompson Nickel Belt, Manitoba (“TNB South”)

Crowflight is required to spend \$18 million over 3 years during an initial earn-in period to acquire a 50% interest in the Bucko Resource Block (or “Bucko Deposit”) and a 25% interest in the Bowden Lake, Halfway Lake and Resting Lake claims (together the “TNB South Properties”). These expenditures include: (1) \$7.5 million on producing a bankable feasibility study on the Bucko Deposit prior to December 31, 2006, and (2) \$10.5 million on exploration expenditures prior to December 31, 2006. Upon expending \$10.5 million and completing a bankable feasibility study Crowflight will have earned a 50% interest in the Bucko Deposit. Crowflight is the operator with respect to the Bucko Deposit feasibility study and Falconbridge is the operator with respect to the TNB South Properties.

Crowflight may elect to increase its interest to 100% in the Bucko Deposit by making a production decision and by arranging financing for development, subject to a 2.5% Net Smelter Return royalty payable to Falconbridge. As well, Crowflight can increase its interest to 50% in the TNB South Properties by incurring an additional \$7 million in exploration expenditures plus a

10% management fee prior to the end of 2008. In order to increase its interest in these properties, Crowflight must issue 1,000,000 shares of the Company in each of June 2007 and June 2008.

In addition to the expenditure requirements on the TNB South Properties, Crowflight issued Falconbridge 2 million common shares of the Company and 5 million warrants. The 5 million warrants consist of 2.5 million warrants exercisable at \$0.35 valid for a period of 2 years and 2.5 million warrants exercisable at \$0.75 valid for a period of 2 years. Crowflight had also issued Falconbridge an additional one million common shares of the Company in June 2005 and is required to issue one million common shares of the Company on or before June 2006. The agreement also provides Falconbridge a back-in right, property buy back right, joint venture bump-up option, Net Smelter Return royalty and an off-take right.

Falconbridge retains a one-time back-in right to 50% on the Bucko Deposit, assuming Crowflight earns its 100% interest in the Bucko Deposit; or a deposit is discovered within the Bucko Deposit that exceeds 10 million tonnes with metal grades that indicate potential economic viability; or Falconbridge incurs 2 times Crowflight's expenditures on Bucko Deposit to that point in time.

If Crowflight does not put the Bucko Deposit into commercial production by year end 2010, and metal prices are at acceptable levels as defined in a bankable feasibility, Falconbridge may, at its sole option, purchase, for cash, all interest in the Bucko Deposit for fair market value.

If Crowflight earns either a 25% or 50% interest in the Bucko-Bowden Properties, and an Inferred Resource is delineated and a scoping study completed, a new resource block will be created. Falconbridge will have the first right to bump-up its interest in each new resource block by an additional 20%, as long as it holds a 30% interest in the Bucko-Bowden Properties, by funding a bankable feasibility to a maximum of \$20 million within 3 years of the formation of the new resource block. Falconbridge will have 90 days to elect to bump-up; otherwise, Crowflight will have 90 days to make its election if the former does not elect to bump-up.

If Crowflight earns a 100% interest in the Bucko Deposit, Falconbridge will retain a 2.5% NSR royalty or if a 50/50 joint venture is formed, should either party dilute to less than 10% they will be entitled to a 1% NSR subject to full buy-out by the other party for \$1 million. At Bucko-Bowden Properties, should either party dilute to less the 10% they will be entitled to a 1% NSR royalty subject to the same buy-out clause as above.

Falconbridge will have the right to designate the facilities at which all concentrates will be smelted and refined, at market rates, or to purchase all of the concentrates produced from the properties.

The Company has advanced \$5,015,616 to Falconbridge directly or into a security account for expenditure on the TNB South properties. Through September 30, 2005, Falconbridge has submitted expenditures of \$4,830,682 on the projects against the advances.

The Company applied for and was granted government assistance through the Manitoba Mineral Exploration Assistance Program (MEAP). An amount of \$80,394 was granted to the Company and subsequently advanced to Falconbridge against exploration expenditure on the TNB South properties.

Thompson Nickel Belt North (“TNB North”) Project

In January 2005, the Company entered into another option agreement with Falconbridge to acquire a 50% interest in the TNB North Project. The Company is required to spend \$5 million on or before April 30, 2008 in the following tranches:

- \$1,650,000 by April 30, 2005 (amended as agreed by the two parties to be funded as required by the project - \$1,272,589 paid);
- \$1,000,000 by April 30, 2006;
- \$1,000,000 by April 30, 2007;
- \$1,350,000 by April 30, 2008.

In addition to the expenditure, the Company issued Falconbridge 400,000 common shares and warrants to purchase 1 million shares of the Company for a two year period from the date of issue. The 1 million warrants consist of 500,000 warrants exercisable at \$0.35 and 500,000 warrants exercisable at \$0.70. Also upon regulatory approval, the Company advanced \$1,000,000 to Falconbridge for spending on the project. Through September 30, 2005, the Company has advanced \$1,272,589 to Falconbridge and Falconbridge has submitted expenditures of \$1,222,784.

Bucko Deposit

According to a technical evaluation of the Bucko Deposit, titled “43-101 Technical Evaluation Report of the Bucko Lake Property, Northern Manitoba”, dated September 24, 2004, by A.-J. Beauregard (P. Geo.) and D. Gaudreault (P. Eng.) of GEOLOGICA inc., independent Qualified Persons under NI 43-101 standards, the Bucko mineralization shows sufficient continuity with potentially economic nickel grades as detailed by the historical drilling such that a significant amount of the historical resources is deemed of high quality and can be included in the Indicated Resources category following the guidelines of NI 43-101.

The Indicated and Inferred Mineral Resources as detailed in the GEOLOGICA REPORT, September 2004 are:

BUCKO DEPOSIT - MINERAL RESOURCE SUMMARY

	Tonnes	% Nickel
Undiluted Mineral Resource Summary*		
Indicated Resources	1,218,000	2.71
Inferred Resources	455,000	2.23
* 6.2 metres average horizontal thickness		
Diluted Mineral Resource Summary**		
Indicated Resources	1,461,000	2.36
Inferred Resources	547,000	1.99
** 7.4 metres average horizontal thickness, diluted 20% at the average wall rock grade of 0.6% nickel		

According to A.-J. Beaugard and D. Gaudreault of GEOLOGICA Inc., the Bucko Deposit may contain PGM's based on recent core sampling completed by GEOLOGICA. A total of 11 intervals were re-sampled from the historical core from the Bucko Deposit to validate a number of historical mineralized intersections. Results showed concentrations of PGM's ranging from 0.21 to 2.77 g/t. In addition, GEOLOGICA is of the view that there is excellent potential to increase the mineral resource at the Bucko Deposit and convert a portion of the Inferred Resources to the Indicated category

Following the signing of the agreement with Falconbridge on the Bucko Resource Block, Crowflight, as operator, undertook a compilation of the existing data and created a three dimensional resource model of the known mineralization based on the results from previous exploration work. As a result of this work, the Company considered an approximate 15,000 metre surface and underground diamond drilling program to better define the ultimate size and grade of the resources down to the 1,000 metre level at 300 metres below surface to National Instrument 43-101 standards for Measured and Indicated Mineral Resources. In addition, Crowflight acquired the necessary permits with regards to the dewatering and rehabilitation of the historical shaft and underground workings on the property to permit an underground diamond drilling program to further explore the deposit at depth. The dewatering and rehabilitation program included installing a power supply and surface infrastructure to gain underground access. It was originally planned that this work would commence in January 2005 and would be completed by the second quarter 2005. Following this work, the Company would produce an updated mineral resource estimate compliant with NI 43-101. As a result of the time taken to compile and analyze the historical data for the Bucko Deposit it was decided to postpone the underground program until Crowflight geologists had acquired a better understanding of the deposit from the historical data.

Since early 2005, Crowflight's activities at the Bucko Deposit have been focused on the advancement of a feasibility study to determine the economic potential of developing the Bucko Resource. The study progressed during the quarter and is expected to be completed in the fourth quarter of 2005.

An initial program of surface drilling was conducted from December through to April 2005. Following preliminary modeling of the resources in the second quarter of 2005, the Company decided to advance a summer 2005 surface drill program. The program was scheduled to commence in June, however extreme wet weather in Manitoba forced a brief delay, and instead commenced in July. This program was modified slightly to take into account advancements in the resource model and grade-thickness contouring to highlight areas of greatest potential. Nine of eleven holes of the summer drill program were completed in late October on budget at a cost of approximately \$650,000. Two holes remain to be drilled. Initial results for the first three holes of the program were announced on September 20, 2005. The most significant included a 56 metre (184 feet) intersection grading 2.01% nickel including a 14 metre (45.9 foot) intersection grading 4.44% nickel in hole BK05-09. On November 9, 2005, Crowflight announced results of nine of the eleven planned holes from this program. Based on only these nine holes,

Crowflight was successful in adding the 300,000 tonnes of Indicated Resource at the Bucko Deposit it had targeted in the original planning of the program..

2005 Exploration Program

In September 2004, work commenced on the TNB South Properties by operator Falconbridge. The first stage of the program consisted of data compilation, field mapping and sampling, core re-sampling and assaying and surveying of drill hole collars, to verify and validate the historical database. Most of the compilation work has been completed as of the reporting date.

A MegaTEM airborne geophysical survey was completed over the entire 190 km² TNB South Properties package, including the Bucko Deposit. The objective of this deep penetrating airborne electromagnetic geophysical survey was to define potential Thompson-style massive and/or stringer sulphides. The survey was done late in the fourth quarter of 2004. As a result of this work, several discrete features were identified with features similar to those found over the Bowden and Bucko Deposits and consistent with potential nickel bearing ultramafic units.

Falconbridge began a surface diamond drill program in the first quarter of 2005 on the TNB South and TNB North Properties to explore for occurrences of higher grade resources of nickel mineralization and to follow-up on previously identified historical nickel occurrences. Approximately 15,000 meters of diamond drilling was planned for the first half of 2005 on the Bucko-Bowden Properties. The program had been completed with 11,800 meters having been drilled in 30 drill holes. Falconbridge has been completing reports on this work to be filed with the Manitoba government. Results from this work are encouraging and the joint venture intends to use the second half of the 2005 exploration program analyzing these results with historical information to identify the most attractive targets for drilling commercially early in 2006.

In late July, the Company commenced its summer 2005 surface drill program on the Bucko Nickel Deposit. Crowflight planned to drill 10 to 12 holes from surface to in-fill areas below the 1000 Level (305 metres below surface) that are adjacent to the Indicated Resources of the Deposit. Based on the work done to date on the resource model the Company believes these drill holes have the potential to add as much as 300,000 tonnes of additional Indicated Resources to the resource model. The ability to prove-up this tonnage assumes grade and thicknesses of nickel bearing rock in intersections of the planned holes that are similar to historic holes in nearest proximity to those planned. Beyond the summer 2005 surface program, Crowflight also intends to begin a program of dewatering and rehabilitating the historic underground infrastructure at the Bucko Deposit. Activities towards dewatering and rehabilitating the underground are scheduled to commence later in the year following completion of the feasibility study on the economic development of the Deposit.

SUDBURY PROPERTIES

In the Sudbury Basin, Crowflight has an interest in three exploration properties. These include: (1) the 100% owned AER Kidd Project adjacent to Inco Limited's Totten Deposit (10.1 million tonnes @ 1.5% Nickel, 2% Cu, 4.8 g/t PGM's); (2) the Airport Property (a 50/50 joint venture with Millstream Mines Ltd.) located 4 km south, and on-strike, with Falconbridge's Nickel Rim South Deposit (13.2 million tonnes @ 3.5% Cu, 1.7% nickel, 0.8 g/t Au, 4.1 g/t PGM's); and (3) the 100% owned Peter's Roost Property.

During the third quarter of 2005, the Company decided not to pursue its Mystery Offset Option and consequently wrote off \$228,349 in deferred costs related to the property.

Encouraging exploration results were obtained in the late 2003 and early 2004 exploration program on the AER Kidd Project in the Sudbury Basin. Additional encouraging results were obtained on the Peter's Roost Project, including several geophysical anomalies considered by the Company to exhibit the expected signature from massive sulphide lenses. With the signing of the agreements with Falconbridge on the TNB South and TNB North Properties in 2004 and early 2005, respectively, Crowflight's exploration and development efforts have shifted to these Manitoba properties. It is the Company's intention to focus the majority of its resources to the development of the Bucko Deposit in order that Crowflight become a nickel producing cash flow generating company. Production at Bucko is currently planned for early 2007. Upon the successful development of the Bucko Deposit it is the Company's intention to recommence significant exploration activities on the Sudbury Basin Properties. In the interim, exploration activities on these properties will be limited by the financial resources of the Company in the context of the development of the Bucko Deposit and the requirements to fund the TNB joint venture projects with Falconbridge.

LIQUIDITY AND CAPITAL RESOURCES

As at September 30, 2005, the Company had working capital of \$1,670,696 compared to working capital of \$5,086,479 as at December 31, 2004. The Company has used working capital during the first nine months primarily to fund the Falconbridge agreements and to support corporate overheads.

The Company intends to do future private placements and encourage investors to exercise warrants to meet its spending commitments under the Falconbridge agreements as outlined in the exploration section of this report and to cover its overheads.

RESULTS OF OPERATIONS

The Company reported a net loss before taxes of \$1,289,322 during the three quarters ended September 30, 2005 compared to a net loss of \$1,527,366 for the same period last

year. Included in the loss for the three quarters under review is a non cash expense of \$233,621 (2004-\$775,172) related to stock based compensation.

Upon removing the non cash stock based compensation expense for the third quarters of 2005 and 2004, operating overheads for the third quarter of 2005 were \$280,388 compared to \$265,442 for the same period last year. The major items accounting for this increase of \$14,946 included increased professional and consulting expenses of \$32,630, increased shareholder communications and promotions costs of \$17,811 and decreased interest expense and bank charges of \$34,004. Professional and consulting increased during the third quarter of 2005 from the prior year's third quarter primarily as a result of an addition to the management team in 2005. The increase in shareholder costs for the quarter ended September 30, 2005 compared to the quarter ended September 30, 2004 is attributed to the Company's penetration into the European investment community. And the decrease in interest expense for the third quarter of 2005 compared to the third quarter of 2004 is a result of the flow-through interest penalty incurred by the Company in 2004. The Company met all required flow-through commitments early in the year and consequently no penalty was incurred during 2005.

The Company also recognized interest income of \$69 during the third quarter of 2005 as compared to \$11,781 during the same period last year.

During the last quarter of 2004, the Company decided not to pursue its options on the Copenhagen and Marble Mountain properties and consequently expensed \$16,838 for the nine months ended September 30, 2005, related to maintaining the properties in good standing for return to the optionor.

During the third quarter of 2005, the Company decided not to pursue its Mystery Offset Option and consequently wrote off \$228,349 related to expenditures on the property

Quarterly Information

The quarterly results have been as follows:

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

Summary Financial Information for the Eight Quarters Ended September 30, 2005					
<u>Period</u>	<u>Revenues</u>	<u>Total Assets</u>	<u>Net Income</u> <u>(Loss)</u>	<u>Net Income</u> <u>(Loss) per Share</u>	<u>Long Term</u> <u>Liabilities</u>
3 rd Quarter 2005	Nil	22,832	(569)	0.00	Nil
2 nd Quarter 2005	Nil	21,867	(396)	(0.01)	Nil
1 st Quarter 2005	Nil	17,752	840	0.01	Nil
4 th Quarter 2004	Nil	16,876	(1,003)	(0.02)	Nil
3 rd Quarter 2004	Nil	11,649	(805)	(0.03)	Nil
2 nd Quarter 2004	Nil	10,811	71	0.00	Nil
1 st Quarter 2004	Nil	10,604	(793)	(0.02)	Nil
4 th Quarter 2003	Nil	10,758	(881)	(0.02)	Nil

As the Company has no revenue at this point in time, the net loss results primarily from corporate overheads including stock based compensation.

The general trend in increasing assets results from the Company raising funds through private placements and investing in its exploration properties in Sudbury, Ontario and Thompson, Manitoba.

The income in the first quarter of 2005 resulted from the non cash future income tax recovery of \$1,164,240.

CASH FLOWS

Cash used in Operating Activities was \$187,600 during the third quarter of 2005, compared to \$1,157,714 during the third quarter of 2004. The cash usage related to corporate overheads was \$273,293 compared to \$248,123 for the same period last year as described in the operating results section of this report. The change in non cash working capital and other provided for \$85,693 in cash for the third quarter of 2005 compared to a usage of \$909,591 during the third quarter of 2004. The large net change in non cash working capital for the prior year's comparative quarter resulted primarily from advances paid to Falconbridge under the option agreements as discussed in the mineral properties section of this report.

Cash from Financing Activities generated \$693,240, net of issue costs, from a private placement issue during the third quarter of 2005 as compared to a usage related to issue costs of \$1,729 during the third quarter of 2004. In September 2005, the Company completed a private placement of 3,000,000 units at \$0.25 per unit. Each unit consisted of one common share of the Company and one half of one common share purchase warrant. Each warrant entitles the holder to purchase a whole common share of the Company at an exercise price of \$0.40 until March 8, 2007.

Cash used in Investing Activities during the third quarter of 2005 was \$1,782,534 compared to \$1,198,276 used in investing activities for the same period last year. The Company invested \$14,194 in equipment during the third quarter of 2005, compared to \$nil during the third quarter of 2004. Cash spending on the various properties for the nine months ending September 30, 2005 and 2004 is summarized below and described in the exploration section of this report.

Q1, Q2 & Q3 2005	MANITOBA			SUDBURY, ONTARIO					TOTAL
	Bucko Feasibility Study	Thompson Nickel Belt South	Thompson Nickel Belt North	AER Kidd	Airport	Mystery Offset Dyke	Peter's Roost	New Exploration	
Acquisition and property costs	1,331	16,284	2,193	100,000	-	50,000	-	-	169,808
Drilling	1,540,780	1,806,025	721,802	-	70,946	-	-	-	4,139,553
Assaying, laboratory, metallurgy	193,761	5,762	-	-	1,167	-	-	-	200,690
Geology and geological consulting	369,641	495,560	119,452	9,296	46,436	6,243	12,509	1,890	1,061,027
Travel and transportation	125,526	14,108	5,335	508	10,878	20	1,106	422	157,903
Geochemistry and geophysics	95,749	703,991	281,932	(14,000)	8,144	-	-	-	1,075,816
Reports	266,625	-	-	-	-	-	-	-	266,625
Mine and mill design	472,930	-	-	-	-	-	-	-	472,930
Site development	211,419	-	-	-	-	-	-	-	211,419
Environmental	87,147	17,695	3,176	-	-	-	-	-	108,018
Field and office support	62,111	38,601	9,079	3,601	23,085	8,218	3,265	74	148,034
Management fees	41,635	301,565	111,162	-	-	-	-	-	454,362
Less: Government assistance	-	(80,394)	-	-	-	-	-	-	(80,394)
Cash invested Q1 to Q3 2005	3,468,655	3,319,197	1,254,131	99,405	160,656	64,481	16,880	2,386	8,385,791

Table includes cash expenditures only

Q1, Q2 & Q3 2004	MANITOBA			SUDBURY, ONTARIO					TOTAL
	Bucko Feasibility Study	Thompson Nickel Belt South	AER Kidd	Airport	Mystery Offset Dyke	Marble Mountain	Copenhagen	Peter's Roost	
Acquisition and property costs	7,100	132,027	50,025	-	150,000	10,000	25,000	52,695	426,847
Drilling	-	-	2,259,584	-	-	-	-	-	2,259,584
Analysis and laboratory	-	-	44,840	4,394	-	392	-	21	49,647
Geology and geological consulting	63,612	157,153	315,865	74,470	-	118,316	40,765	459,825	1,230,007
Travel and transportation	7,941	-	10,188	3,723	-	54	36	3,414	25,356
Geochemistry and geophysics	-	185,924	209,810	(13,596)	-	-	-	742	382,880
Field and office support	25	47,510	103,878	13,738	295	1,900	-	14,011	181,359
Cash invested Q1 to Q3, 2004	78,678	522,614	2,994,190	82,729	150,295	130,662	65,801	530,708	4,555,677

Table includes cash expenditures only

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 was charged \$561,600 (2004 - \$165,000) by directors or companies controlled by directors for professional and consulting fees, including administrative fees, for the period ended September 30, 2005.

The Company shares its premises with other companies that have common directors. The Company reimburses the related companies for their proportionate share of the expenses. At September 30, 2005 an amount of \$20,534 (2004 - \$93,250) is payable in relation to these expenses. As well, the Company is owed \$18,864 (2004 - \$nil) at September 30, 2005 for shared expenses.

During the three quarters ended September 30, 2005, directors of the Company subscribed for units as part of a private placement. A total of 1,300,000 flow-through units were issued to directors for gross proceeds of \$325,000. Each flow-through unit consisted of one flow-through common share and one half of one common share purchase warrant. Each whole warrant entitles the holder to acquire one common share at a price of \$0.40 until December 8, 2006.

OUTSTANDING SHARE DATA

As at September 30, 2005, 98,621,254 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, 7,305,000 remain outstanding with exercise prices ranging from \$0.20 to \$0.70, with expiry dates ranging between September 18, 2006 and July 14, 2010. If exercised, 7,305,000 common shares would be issued for proceeds of \$2,200,375.

As at September 30, 2005, 29,434,356 share purchase warrants were outstanding with exercise prices ranging from \$0.30 to \$0.75, expiring between June 17, 2006 and March 8. If all warrants and units were exercised 29,434,356 common shares would be issued for proceeds of \$13,276,278

CHANGES TO THE BOARD OF DIRECTORS

The Company appointed Thomas Atkins to the position of President and CEO and director of the Company effective April 1, 2005. The former President and CEO, Stan Bharti became the Company's Chairman and the former Chairman, Gerald McCarvill became Vice Chairman. Thomas Atkins was most recently Vice President, Investor Relations with IAMGold Corporation. He graduated from McMaster University with a BSc in geology in 1984 and University of Western Ontario with a MBA in 1988. Prior to joining IAMGold in 2003, Mr. Atkins had been employed in senior management levels of

various mineral companies, including Ivernia West Inc. and Boliden Limited, in the financial services industry as an investment and corporate banker with CIBC World Markets, Bank of Montreal and Citibank Canada and as an exploration and mine geologist and project engineer working extensively throughout the Americas in exploration and project acquisitions for Northgate Exploration Ltd. and TVX Gold Ltd.

The Company also strengthened its board of directors with the addition of Major General Lewis MacKenzie. Major General MacKenzie brings a wealth of experience to the board. He is a graduate of Xavier Junior College of Sydney, Cape Breton and the University of Manitoba. During his thirty six years of military service in the Infantry he served nine years in Germany with NATO forces and managed to fit in nine peacekeeping tours of duty in six different mission areas - the Gaza Strip, Cyprus, Vietnam, Cairo, Central America and Sarajevo.

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 nickel, copper or PGM commodity prices, a strengthening Canadian dollar versus the US dollar, unfavourable costs, falling capital markets and key personnel changes.

OUTLOOK

Crowflight's exploration strategy developed since the early part of 2004 has been two-fold and focussed on adding shareholder value in the near term by finding, developing and mining a significant nickel, copper and PGM mineralized ore body within Crowflight's current and acquired portfolio of 100% owned and joint venture properties, and also establishing a partnership with a major producer that would insure an availability of quality projects in established base and precious metal producing regions, where the best place to find deposits is adjacent other deposits and processing facilities.

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

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.

November 15, 2005

CROWFLIGHT MINERALS INC.
(A Development Stage Company)

BALANCE SHEETS

As at

(Prepared by Management)

	September 30, 2005 (Unaudited)	December 31, 2004 (Audited)
ASSETS		
Current		
Cash and equivalents	\$ 2,324,312	\$ 5,805,455
Amounts receivable	199,290	113,834
Prepaid expenses	<u>804,500</u>	<u>65,648</u>
	3,328,102	5,984,937
Long-term		
Property, plant and equipment	44,681	45,430
Interest in mineral properties (Note 2)	<u>19,459,366</u>	<u>10,845,424</u>
	<u>\$ 22,832,149</u>	<u>\$ 16,875,791</u>
LIABILITIES		
Current		
Accounts payable and accrued liabilities	<u>\$ 1,657,406</u>	<u>\$ 898,458</u>
SHAREHOLDERS' EQUITY		
Common Shares (Note 3)	30,375,746	25,851,956
Warrants (Note 4)	3,191,425	3,159,359
Contributed surplus (Note 6)	3,815,835	3,049,199
Deficit	<u>(16,208,263)</u>	<u>(16,083,181)</u>
	<u>21,174,743</u>	<u>15,977,333</u>
	<u>\$ 22,832,149</u>	<u>\$ 16,875,791</u>

-- See Notes to the Financial Statements --

CROWFLIGHT MINERALS INC.
(A Development Stage Company)

STATEMENTS OF OPERATIONS AND DEFICIT

For the three and nine months ended September 30, 2005 and September 30, 2004

(Prepared by Management - Unaudited)

	Three months ended September 30,		Nine months ended September 30,	
	2005	2004	2005	2004
Expenses				
Professional and consulting	\$ 162,204	\$ 129,574	\$ 433,457	\$ 405,598
General and office	28,595	25,797	92,138	124,340
Shareholder communications and promotion	72,799	54,988	185,171	175,878
Travel	9,234	15,011	105,345	59,538
Stock-based compensation (Note 5)	59,969	552,060	233,621	775,172
Interest expenses and bank charges	530	34,534	2,161	35,872
Amortization	7,026	5,538	20,616	12,886
	<u>340,357</u>	<u>817,502</u>	<u>1,072,509</u>	<u>1,589,284</u>
Income (loss) before the undernoted	(340,357)	(817,502)	(1,072,509)	(1,589,284)
Interest income	69	11,781	12,462	60,547
Mineral property expenses (Note 2)	-	-	(16,838)	-
Write off of exploration property (Note 2)	(228,349)	-	(228,349)	-
Recovery of expenses	-	-	15,912	1,371
Income (loss) before income taxes	(568,637)	(805,721)	(1,289,322)	(1,527,366)
Future income tax recovery (Note 7)	-	-	1,164,240	-
Net income (loss) for the period	(568,637)	(805,721)	(125,082)	(1,527,366)
DEFICIT, beginning of period	<u>(15,639,626)</u>	<u>(14,274,458)</u>	<u>(16,083,181)</u>	<u>(13,552,813)</u>
DEFICIT, end of period	<u>\$ (16,208,263)</u>	<u>\$ (15,080,179)</u>	<u>\$ (16,208,263)</u>	<u>\$ (15,080,179)</u>
Basic and diluted loss per share	\$ 0.00	\$ (0.02)	\$ 0.00	\$ (0.03)
Weighted average common shares outstanding - basic and diluted	96,371,254	50,988,750	82,384,902	51,493,490

-- See Notes to the Financial Statements --

CROWFLIGHT MINERALS INC.
(A Development Stage Company)

STATEMENTS OF CASH FLOW

For the three and nine months ended September 30, 2005 and September 30, 2004

(Prepared by Management - Unaudited)

	Three months ended September 30,		Nine months ended September 30,	
	2005	2004	2005	2004
CASH (USED IN) PROVIDED BY:				
OPERATING ACTIVITIES:				
Net income (loss) for the period	\$ (568,637)	\$ (805,721)	\$ (125,082)	\$ (1,527,366)
Charges not affecting cash:				
Amortization	7,026	5,538	20,616	12,886
Stock-based compensation (Note 5)	59,969	552,060	233,621	775,172
Write off of exploration property (Note 2)	228,349	-	228,349	-
Future income tax recovery (Note 7)	-	-	(1,164,240)	-
Other non cash items	-	-	-	12,839
Net change in non-cash working capital	<u>85,693</u>	<u>(909,591)</u>	<u>(65,361)</u>	<u>(625,972)</u>
	<u>(187,600)</u>	<u>(1,157,714)</u>	<u>(872,097)</u>	<u>(1,352,441)</u>
FINANCING ACTIVITIES:				
Shares issued through private placements	750,000	-	5,725,750	-
Shares issued from exercise of warrants	-	-	512,000	53,750
Financing costs	<u>(56,760)</u>	<u>1,729</u>	<u>(441,138)</u>	<u>(11,794)</u>
	<u>693,240</u>	<u>1,729</u>	<u>5,796,612</u>	<u>41,956</u>
INVESTING ACTIVITIES:				
Mineral property interest, net of government assistance	(1,768,340)	(1,198,276)	(8,385,791)	(4,555,677)
Property, plant and equipment	<u>(14,194)</u>	<u>-</u>	<u>(19,867)</u>	<u>(52,278)</u>
	<u>(1,782,534)</u>	<u>(1,198,276)</u>	<u>(8,405,658)</u>	<u>(4,607,955)</u>
CHANGE IN CASH AND EQUIVALENTS	(1,276,894)	(2,354,261)	(3,481,143)	(5,918,440)
CASH AND EQUIVALENTS, beginning of period	<u>3,601,206</u>	<u>3,359,901</u>	<u>5,805,455</u>	<u>6,924,080</u>
CASH AND EQUIVALENTS, end of period	<u>\$ 2,324,312</u>	<u>\$ 1,005,640</u>	<u>\$ 2,324,312</u>	<u>\$ 1,005,640</u>

Cash and equivalents consists of:

Cash	\$ 2,324,312	\$ 254,866	\$ 2,324,312	\$ 254,866
Equivalents	\$ -	\$ 750,774	\$ -	\$ 750,774
	<u>\$ 2,324,312</u>	<u>\$ 1,005,640</u>	<u>\$ 2,324,312</u>	<u>\$ 1,005,640</u>

SUPPLEMENTAL INFORMATION

Shares issued for interest in mineral properties	\$ -	\$ 600,000	\$ 350,000	\$ 615,050
Warrants issued for interest in mineral properties	\$ -	\$ 620,000	\$ 106,500	\$ 620,000
Interest received	\$ 69	\$ -	\$ 12,462	\$ 48,766
Interest paid	\$ 3	\$ -	\$ 44,066	\$ -
Income taxes	\$ -	\$ -	\$ -	\$ -

-- See Notes to the Financial Statements --

CROWFLIGHT MINERALS INC.

(A Development Stage Company)

NOTES TO THE FINANCIAL STATEMENTS

For the three and nine months ending September 30, 2005 and September 30, 2004

(Prepared by Management - Unaudited)

1. BASIS OF PRESENTATION AND GOING CONCERN

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

The management of Crowflight Minerals Inc. (the "Company") has prepared these unaudited financial statements for the nine months ended September 30, 2005 in accordance with generally accepted accounting principles in Canada. The most significant of these accounting principles have been set out in the December 31, 2004 audited financial statements. These financial statements should be read in conjunction with the audited financial statements for the year ended December 31, 2004.

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

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

Operating results for the nine months ended September 30, 2005 are not indicative of the results that may be expected for the full year ending December 31, 2005.

The Company uses the same methods and accounting policies described in the December 31, 2004 audited financial statements.

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

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

CROWFLIGHT MINERALS INC.
(A Development Stage Company)

NOTES TO THE FINANCIAL STATEMENTS

For the three and nine months ending September 30, 2005 and September 30, 2004

(Prepared by Management - Unaudited)

2. INTEREST IN MINERAL PROPERTIES

	MANITOBA			SUDBURY, ONTARIO					TOTAL
	Bucko Feasibility Study	Thompson Nickel Belt South	Thompson Nickel Belt North	AER Kidd	Airport	Mystery Offset Dyke	Peter's Roost	New Exploration	
Acquisition costs									
Balance, December 31, 2004	1,227,100	154,515	-	891,858	356,403	-	102,887	-	2,732,763
Acquisition and property costs	231,331	16,284	228,693	100,000	-	50,000	-	-	626,308
Write off of property costs	-	-	-	-	-	(50,000)	-	-	(50,000)
Balance, September 30, 2005	1,458,431	170,799	228,693	991,858	356,403	-	102,887	-	3,309,071
Exploration expenditure									
Balance, December 31, 2004	431,193	1,360,753	-	4,869,853	671,733	163,868	615,261	-	8,112,661
Drilling	1,540,780	1,806,025	721,802	-	70,946	-	-	-	4,139,553
Assaying, laboratory, metallurgy	193,761	5,762	-	-	1,167	-	-	-	200,690
Geology and geological consulting	369,641	495,560	119,452	9,296	46,436	6,243	12,509	1,890	1,061,027
Travel and transportation	125,526	14,108	5,335	508	10,878	20	1,106	422	157,903
Geochemistry and geophysics	95,749	703,991	281,932	(14,000)	8,144	-	-	-	1,075,816
Reports	266,625	-	-	-	-	-	-	-	266,625
Mine and mill design	472,930	-	-	-	-	-	-	-	472,930
Site development	211,419	-	-	-	-	-	-	-	211,419
Environmental	87,147	17,695	3,176	-	-	-	-	-	108,018
Field and office support	62,111	38,601	9,079	3,601	23,085	8,218	3,265	74	148,034
Management fees	41,635	301,565	111,162	-	-	-	-	-	454,362
Incurred during the period	3,898,516	4,744,060	1,251,938	4,869,258	832,389	178,349	632,141	2,387	16,409,038
Less: Government assistance	-	(80,394)	-	-	-	-	-	-	(80,394)
Less: Write off of property costs	-	-	-	-	-	(178,349)	-	-	(178,349)
Balance, September 30, 2005	3,898,516	4,663,666	1,251,938	4,869,258	832,389	-	632,141	2,387	16,150,295
TOTAL DEFERRED COSTS									
September 30, 2005	5,356,947	4,834,465	1,480,631	5,861,116	1,188,792	-	735,028	2,387	19,459,366

Bucko Feasibility Study and Thompson Nickel Belt South, Manitoba

Pursuant to the June 2004 joint venture agreement with Falconbridge Limited ("Falconbridge"), whereby the Company is earning an initial 50% interest in Falconbridge's Bucko Deposit and an initial 25% interest in mining leases and claims within the Bowden Lake, Halfway Lake and Resting Lake Properties in the Thompson Nickel Belt region of Manitoba (collectively "TNB South"), the Company issued 1 million common shares of the Company to Falconbridge. These shares were issued on June 1, 2005 and the fair value was determined to be \$230,000 using the market value of the Company's stock at the date of issuance.

During the quarter ended September 30, 2005, the Company applied for and was approved for financial assistance under the Manitoba Mineral Exploration Assistance Program (MEAP) receiving \$80,394 in government assistance. Subsequent to the quarter, the Company received a further \$78,042 in government assistance.

CROWFLIGHT MINERALS INC.

(A Development Stage Company)

NOTES TO THE FINANCIAL STATEMENTS

For the three and nine months ending September 30, 2005 and September 30, 2004

(Prepared by Management - Unaudited)

2. INTEREST IN MINERAL PROPERTIES (continued)

Thompson Nickel Belt North, Manitoba

In January 2005, the Company entered into an option agreement with Falconbridge Limited to acquire a 50% interest in the Thompson Nickel Belt North Project ("TNB North"). The Company is required to spend \$5 million on or before April 30, 2008 in the following tranches:

- \$1,650,000 by April 30, 2005 (amended as agreed to by the parties to be funded as required by the project - \$1,272,600 paid);
- \$1,000,000 by April 30, 2006;
- \$1,000,000 by April 30, 2007;
- \$1,350,000 by April 30, 2008.

In addition to the expenditure, the Company issued to Falconbridge 400,000 common shares and warrants to purchase 1,000,000 shares for a two year period from the date of issue. The 1,000,000 warrants consist of 500,000 warrants exercisable at \$0.35 and 500,000 warrants exercisable at \$0.70. The fair value of the common shares was determined to be \$120,000 using the market value of the Company's stock at the date of issuance. The fair value of the warrants was determined to be \$106,500. The value of the warrants was estimated using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 89.78%; risk free interest rate of 2.9%; and an expected life of two years.

Sudbury, Ontario

During the quarter ended September 30, 2005, the Company decided not to pursue its options related to the Mystery Offset Dyke Property in Sudbury. Consequently, an amount of \$228,349 was written off to the statement of operations and deficit.

In the last quarter of 2004, the Company decided not to pursue its options related to the Marble Mountain and Copenhagen properties in Sudbury. During the nine months ended September 30, 2005, the Company expensed \$16,838 for costs related to returning the properties to the optionor in good standing.

3. COMMON SHARES

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

CROWFLIGHT MINERALS INC.
(A Development Stage Company)

NOTES TO THE FINANCIAL STATEMENTS

For the three and nine months ending September 30, 2005 and September 30, 2004

(Prepared by Management - Unaudited)

3. COMMON SHARES (continued)

Common shares issued

	<u>No. of Shares</u>	<u>Value</u>
Balance, December 31, 2003	50,462,651	\$ 21,132,600
Adjustment	(110)	-
Private placement - non flow-through	10,880,713	3,058,250
Private placement - flow-through	8,085,000	3,234,000
Issue of warrants - warrant valuation	-	(1,765,139)
Shares issued in acquisition of properties	2,050,000	615,050
Exercise of warrants	255,000	51,000
Exercise of warrants - warrant valuation	-	24,026
Exercise of stock options	25,000	8,750
Exercise of options - option valuation	-	10,140
Cost of issue	-	(516,721)
Balance, December 31, 2004	71,758,254	\$ 25,851,956
Shares issued in acquisition of property (Note 2)	1,400,000	350,000
Private placement - non flow-through (i)	5,000,000	1,250,000
Private placement - flow-through (i)	14,903,000	3,725,750
Private placement - non flow-through (ii)	3,000,000	750,000
Issue of warrants - warrant valuation	-	(699,787)
Exercise of warrants	2,560,000	512,000
Exercise of warrants - warrant valuation	-	241,205
Cost of issue	-	(441,138)
Flow through share tax effect	-	(1,164,240)
Balance, September 30, 2005	<u>98,621,254</u>	<u>\$ 30,375,746</u>

(i) In June, 2005 the Company completed a private placement offering in two tranches. In the first tranche, 14,803,000 flow-through units and 5,000,000 non-flow-through units were issued for gross proceeds of \$4,950,750. The flow-through units were priced at \$0.25 per flow-through unit and consisted of one flow-through common share of the Company and one-half of one common share purchase warrant. Each whole warrant entitles the holder to purchase a common share of the Company at an exercise price of \$0.40 until December 8, 2006. The non-flow-through units were priced at \$0.25 per unit and consisted of one common share of the Company and one-half of one common share purchase warrant. Each whole warrant entitles the holder to purchase one common share of the Company at an exercise price of \$0.40 until December 8, 2006.

In the second tranche of this private placement, 100,000 flow-through units were issued at a price of \$0.25 per flow-through unit, for gross proceeds of \$25,000. The flow-through units consist of one flow-through common share of the Company and one-half of one common share purchase warrant. Each whole warrant entitles the holder to purchase a common share of the Company at \$0.40 until December 18, 2006.

The fair value of the warrants of \$578,287 was estimated using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 89.78%; risk free interest rate of 2.9%; and an expected life of two years.

CROWFLIGHT MINERALS INC.
(A Development Stage Company)

NOTES TO THE FINANCIAL STATEMENTS

For the three and nine months ending September 30, 2005 and September 30, 2004

(Prepared by Management - Unaudited)

3. COMMON SHARES (continued)

(ii) In September 2005, the Company completed a private placement offering through the issuance of 3,000,000 units to Golden Omega Fund LP at \$0.25 per unit for gross proceeds of \$750,000. Each unit consisted of one common share of the Company and one-half of one common share purchase warrant. Each whole warrant entitles the holder to purchase a common share of the Company at an exercise price of \$0.40 until March 8, 2007. All of the shares and warrants are subject to a hold period that will expire on January 9, 2006.

The fair value of the warrants of \$121,500 was estimated using the Black-Scholes option pricing model with the same assumptions as described above.

4. WARRANTS

	Nine months ended September 30, 2005		Year ended December 31, 2004	
	Number of warrants	Average price	Number of warrants	Average price
Balance, beginning of period	26,033,465	\$ 0.42	12,292,276	\$ 0.52
Granted, private placements	11,451,500	0.40	11,982,856	0.45
Granted, property acquisition (Note 2)	1,000,000	0.55	5,000,000	0.55
Exercised	(2,560,000)	0.20	(255,000)	0.20
Expired or cancelled	(6,490,609)	0.36	(2,986,667)	1.15
Balance, end of period	29,434,356	0.45	26,033,465	0.42

A summary of the outstanding warrants as of September 30, 2005 are as follows:

Value (\$)	Number of Warrants	Exercise Price (\$)	Expiry Date
377,500	2,500,000	0.35	June 17, 2006
242,500	2,500,000	0.75	June 17, 2006
650,000	5,000,000	0.30	October 12, 2006
568,462	3,667,500	0.60	November 4, 2006
502,801	2,940,356	0.50	November 4, 2006
574,287	9,901,500	0.40	December 8, 2006
4,000	50,000	0.40	December 17, 2006
43,875	375,000	0.60	December 29, 2006
67,500	500,000	0.35	January 18, 2007
39,000	500,000	0.75	January 18, 2007
121,500	1,500,000	0.40	March 8, 2007
3,191,425	29,434,356		

CROWFLIGHT MINERALS INC.
(A Development Stage Company)

NOTES TO THE FINANCIAL STATEMENTS

For the three and nine months ending September 30, 2005 and September 30, 2004

(Prepared by Management - Unaudited)

5. STOCK BASED COMPENSATION

The following are the stock option transactions during the period:

	Nine months ended September 30, 2005		Year ended December 31, 2004	
	Number of stock options	Weighted average exercise price	Number of stock options	Weighted average exercise price
Balance, beginning of period	5,755,000	\$ 0.36	4,525,000	\$ 0.41
Granted	1,550,000	\$ 0.31	3,542,500	\$ 0.41
Exercised	-	\$ -	(25,000)	\$ 0.35
Cancelled/expired	-	\$ -	(2,287,500)	\$ 0.54
Balance, end of period	7,305,000	\$ 0.30	5,755,000	\$ 0.36

As of September 30, 2005, the following stock options were outstanding:

VALUE \$	NUMBER OF OPTIONS	EXERCISE PRICE \$	EXPIRY DATE
60,840	150,000	0.60	September 18, 2006
19,000	100,000	0.30	December 31, 2007
973,440	2,400,000	0.20	June 5, 2008
121,680	300,000	0.35	June 5, 2008
152,100	375,000	0.35	July 18, 2008
20,280	50,000	0.70	November 17, 2008
40,560	100,000	0.56	November 21, 2008
76,050	187,500	0.62	December 11, 2008
86,000	200,000	0.56	January 20, 2009
37,312	187,500	0.62	June 17, 2009
11,150	50,000	0.35	June 17, 2009
4,050	30,000	0.20	October 1, 2009
285,000	1,425,000	0.25	October 12, 2009
14,850	50,000	0.39	October 20, 2009
40,050	150,000	0.35	November 8, 2009
19,600	100,000	0.30	January 10, 2010
* 25,097	200,000	0.28	February 14, 2010
39,600	200,000	0.29	February 21, 2010
* 142,224	1,000,000	0.33	March 1, 2010
7,100	50,000	0.20	July 14, 2010
	7,305,000		

CROWFLIGHT MINERALS INC.
(A Development Stage Company)

NOTES TO THE FINANCIAL STATEMENTS

For the three and nine months ending September 30, 2005 and September 30, 2004

(Prepared by Management - Unaudited)

5. STOCK BASED COMPENSATION (continued)

During the three quarters ended September 30, 2005, 1,550,000 stock options (2004 - 1,787,500) were granted to directors, officers and consultants of the Company. Of these options granted, 1,200,000 options vest one eighth every quarter from the date of grant over a two year term (*). At September 30, 2005, 450,000 of these options are currently exercisable. The remaining options granted during the period vested immediately. The options expire 5 years from the date of issue. The fair value of each option was estimated on the date of grant using the Black Scholes option pricing model with the following assumptions: expected dividend yield 0% (2004 - 0%); expected volatility of 89.78% (2004 - 100%); risk free interest rate ranging from 3.4% to 3.6% (2004 - 4%); and an expected average life of 5 years (2004 - 5 years). For the nine months ended September 30, 2005, an amount of \$233,621 (2004 - \$775,172) was recorded as stock based compensation expense.

6. CONTRIBUTED SURPLUS

	September 30, 2005	December 31, 2004
Balance, beginning of period	\$ 3,049,199	\$ 1,808,655
Stock options granted and/or vested during the period		
Employee	\$ 187,121	\$ 110,000
Non-employee	\$ 46,500	\$ 1,028,122
Exercise of stock options, reallocation of valuation	\$ -	\$ (10,140)
Expiry of warrants, reallocation of valuation	\$ 533,015	\$ 112,562
Balance, end of period	\$ 3,815,835	\$ 3,049,199

On August 20, 2005, 204,408 compensation units expired unexercised.

7. INCOME TAXES

Provision for income taxes:

Major items causing the Company's income tax rate to differ from the statutory rate of approximately 36% are as follows:

	<u>6 Months</u>
Loss before income taxes	\$ <u>(1,060,973)</u>
Expected income tax recovery based on statutory rate	(381,900)
Adjustments to benefit resulting from:	
Share issue costs	(209,500)
Stock based compensation	84,000
Future tax assets not previously recognized	(656,840)
Future income tax recovery	<u>\$ (1,164,240)</u>

CROWFLIGHT MINERALS INC.

(A Development Stage Company)

NOTES TO THE FINANCIAL STATEMENTS

For the three and nine months ending September 30, 2005 and September 30, 2004

(Prepared by Management - Unaudited)

7. INCOME TAXES

In February 2005, the Company renounced \$3,234,000 related to proceeds from flow-through shares with an effective date of December 31, 2004. Consequently, a non-cash future income tax recovery of \$1,164,240 has been recognized during the period ended September 30, 2005.

As a resource company, Crowflight Minerals has future income tax assets that it did not recognize in previous years as a result of applying the "more likely than not" test (i.e. the Company has made a 100% valuation allowance). During the prior year, the Company undertook an issuance of flow-through shares that gave rise to taxable temporary differences. The taxable temporary differences are expected to reverse in the future, so that part of the unrecognised future income tax assets can be applied against the full taxable temporary difference. The Company recognized that portion of unrecognised future tax assets by reversing a portion of the previously recorded valuation allowance. The recognition of a portion of previously unrecognised future income tax assets results in a credit to operations.

8. RELATED PARTY TRANSACTIONS

The Company was charged \$561,600 (2004 - \$165,000) by directors or companies controlled by directors for professional and consulting fees for the period ended September 30, 2005.

The Company shares its premises with other companies that have common directors. The Company reimburses the related companies for their proportionate share of the expenses. At September 30, 2005 an amount of \$20,534 (2004 - \$93,250) is payable in relation to these expenses. As well, the Company is owed \$18,864 (2004 - \$nil) at September 30, 2005 for shared expenses.

During the three quarters ended September 30, 2005, directors of the Company subscribed for units as part of a private placement. A total of 1,300,000 flow-through units were issued to directors for gross proceeds of \$325,000. Each flow-through unit consisted of one flow-through common share and one half of one common share purchase warrant. Each whole warrant entitles the holder to acquire one common share at a price of \$0.40 until December 8, 2006.

All of the above transactions are in the normal course of operations and are measured at the exchange amount which is the amount established and agreed to by the related parties.

9. COMPARATIVE FIGURES

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