

CROWFLIGHT MINERALS INC.
Consolidated Financial Statements
For the 3 months ended
March 31, 2003 and 2002

Crowflight Minerals Inc.

Consolidated Balance Sheets

	March 31, 2003 Unaudited	December 31, 2002 Audited
Assets		
Current		
Cash	\$ 1,833	\$ 421,836
Accounts receivable	20,735	2,974
Advances to related corporation		
Prepaid expenses	32,743	30,057
	<u>\$ 55,311</u>	<u>\$ 454,867</u>
Capital Assets	785	1,122
Interest in Mineral Properties	<u>2,512,647</u>	<u>2,208,435</u>
	<u>\$ 2,568,743</u>	<u>\$ 2,664,424</u>
Liabilities and Shareholders' Equity		
Current Liabilities		
Accounts payable and accruals	\$ 475,586	\$ 463,792
Advances from shareholder	66,567	82,232
Advances from related corporation	3,972	6,218
Loans payable	203,572	233,743
	<u>\$ 749,697</u>	<u>\$ 785,985</u>
Capital Stock	\$ 13,686,782	\$ 13,686,782
Common Shares to be Issued	423,000	423,000
Deficit	<u>(12,290,736)</u>	<u>(12,231,343)</u>
	<u>\$ 1,819,046</u>	<u>\$ 1,878,439</u>
	<u>\$ 2,568,743</u>	<u>\$ 2,664,424</u>

Crowflight Minerals Inc.

Consolidated Statements of Operations and Deficit

Unaudited

For the 3 months ended March 31

2003

2002

Expenditures

Salaries and benefits	\$ -	\$ 9,685
Office and general	10,216	6,152
Shareholders expense	1,005	3,554
Promotion	3,800	2,120
Professional fees	25,841	3,550
Interest and bank charges	18,194	4,001
Depreciation	337	337
	<u>\$ 59,393</u>	<u>\$ 29,399</u>

Net Income (Loss)

\$ (59,393) \$ (29,399)

Retained earnings (Deficit), beginning of year

(12,231,343) (11,846,017)

Retained earnings (deficit) end of period

\$ (12,290,736) \$ (11,875,416)

Crowflight Minerals Inc.
Consolidated Statements of Cash Flows
Unaudited
For the 3 months ended March 31

2003 **2002**

Cash derived from (applied to)

Operating activities

Loss from operations	\$ (59,393)	\$ (29,399)
Less: Operating items not involving cash		
Depreciation	337	337
Change in non cash working capital	<u>(56,736)</u>	<u>110,972</u>
	\$ (115,792)	\$ 81,910

Financing activities

Decrease in loans payable		(27,000)
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Investing activities

Interest in mineral properties	<u>(304,211)</u>	<u>(53,611)</u>
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Increase (decrease) in cash

\$ (420,003) \$ 1,299

Cash at beginning of year

421,836 (934)

Cash at end of period

\$ 1,833 \$ 365

Crowflight Minerals Inc.
Notes to Consolidated Financial Statements
Unaudited
For the three months ended March 31, 2003

Note 1 - Accounting Policies

These interim financial statements follow the same accounting policies and methods of the audited financial statements for the year ended December 31, 2002 and should be read in conjunction with the audited financial statements for the year ended December 31, 2002.

Note 2 - Future Operations

The Company's ability to continue as a going concern is dependent upon securing financing arrangements to meet its obligations as they come due. In recognition of these conditions, the Company is currently actively pursuing various funding alternatives, however, there is no guarantee that the Company will be successful in raising the necessary financing.

These interim financial statements have been prepared on a going concern basis, which contemplates the continuity of operations and the ability of the Company to meet its obligations as they come due. The accounts reflect no adjustments relating to the recoverability and reclassification of assets or the amounts and classification of liabilities that might be necessary should the company not be able to continue normal business operations, and these adjustments may be material.

Note 3 - Canadian Exploration Properties

	Balance March 31, 2003	Additions During Period	Balance December 31, 2002
Sudbury Basin	244,557		244,557
Aer/Kidd Property	1,965,811	304,211	1,661,600
Airport Property	302,278		302,278
	2,512,646	304,211	2,208,435

Crowflight Minerals Inc.
Notes to Consolidated Financial Statements
Unaudited
For the three months ended March 31, 2003

Note 4 - Share Capital

Authorised

100,000,000 common shares without par value

100,000,000 class A preference shares with a par value of \$10 each. Issuable in series.

100,000,000 class B preference shares with a par value of \$50 each. Issuable in series.

Issued

22,608,283 common shares

Transactions

Common shares

	2003		2002	
	Number of Shares	Amount	Number of Shares	Amount
Balance at beginning of year	22,608,283	\$ 13,686,782	22,608,283	\$ 13,686,782
Issued for mineral properties				
Issued for cash				
Balance at end of period	<u>22,608,283</u>	<u>\$ 13,686,782</u>	<u>22,608,283</u>	<u>\$ 13,686,782</u>
Common shares to be issued	<u>2,115,000</u>	<u>\$ 423,000</u>		

Options

	2003		2002	
	Number of Options	Exercise Price	Number of Options	Exercise Price
Balance at beginning of year	2,000,000	\$ 0.20	803,883	0.20-0.70
Expired or cancelled during the period	(135,000)	0.20		
Granted during the period				
Balance at end of period	<u>1,865,000</u>	<u>\$ 0.20</u>	<u>803,883</u>	<u>0.20-0.70</u>

Warrants

	2003		2002	
	Number of Warrants	Exercise Price	Number of Warrants	Exercise Price
Balance at beginning of year			3,900,000	0.40-0.56
Expired or cancelled during the period				
Granted during the period				
Balance at end of period	<u>-</u>		<u>3,900,000</u>	<u>0.20-0.70</u>
Warrants to be issued	<u>1,057,500</u>	<u>0.25-0.30</u>		

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Note 5 - Subsequent Event

On May 16, 2003 the Company entered into an agreement with a group of investors for a private placement of a minimum of five million Units totalling one million dollars (\$1,000,000). The investors are led by Gerald P. McCarvill and Forbes & Manhattan, Inc. (the "Investors").

Each Unit consists of one Common Share and one Common Share purchase warrant ("Warrant") at a price of \$0.20 per Unit. Each Warrant entitles the holder to acquire one Common Share for a period of two years from the date of issuance, exercisable at a price of \$0.20 per share.

The proceeds will be used by Crowflight for Phase I of the exploration program of its 100% owned AER-Kidd property as well as for general corporate purposes and debt reduction.

The transaction is subject to legal and technical due diligence and the Investors have until May 23, 2003 to complete the due diligence. The transaction is scheduled to close on or about May 27, 2003. Upon closing, the current officers and directors of Crowflight will resign. The new Board of Directors is to initially consist of five members, Gerald P. McCarvill, Stan Bharti, President of Forbes & Manhattan, Inc., Paul Carroll, Wolfgang H. Kyser and Keith Minty.

In connection with the change of management it is anticipated that a total of 2,600,000 options to purchase Common Shares of Crowflight at a price of \$0.20 per share will be granted to the incoming directors and officers.

Mr. James Brady, the current President and CEO of Crowflight will be retained to act as a consultant for Crowflight, assisting with the exploration program on Crowflight's AER – Kidd property.

Completion of the transaction is subject to a number of conditions, including the approval of the TSX Venture Exchange and satisfactory due diligence by the Investors.