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**Cream Minerals Ltd.'s Aggressive and Consistent Exploration Programs on its Properties are Showing Promising Signs**

Symbol (TSX VENTURE):	CMA.V	Nine Months Ending September				
Recent Price (03/02/07):	C\$0.47	Year	E/S	PER	REVS	PSR
Avg. Daily Vol. (3-Mo.):	115,369	2005 12/31	C\$(0.02)	NM	NM	NM
Industry:	Mining & Exploration	2006 12/31	C\$(0.01)	NM	NM	NM
12 Month Target Valuation:	NA	2007E	NA	NA	NA	NA
Market Capitalization (\$mil):	C\$17.84	2008E	NA	NA	NA	NA
Capitalization: 12/31/06		Estimated 2006- 2010 Annualized				
Shares O/S:	38,785,343	Growth Rate:	NA			
Cash & Equiv: (12/31/06)	C\$61,735	Dividend:	Nil			
Net Working Capital (12/31/06):	C\$(196,700)	Yield:	Nil			
Long-term Debt:	0	Insider Ownership:	NA			
Shareholders Equity (12/31/06):	C\$3,078,534	Rating:	Speculative Buy/4			

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**ANALYST'S SUMMARY**

***Cream Minerals Ltd., (OTC BB: CRMFX/TSX VENTURE: CMA.V/FWB: DFL) is rated as "SPECULATIVE BUY" for the following reasons:***

**Potentials**

- Cream Minerals Ltd.'s ("Cream Minerals") aggressive and consistent exploration programs on its properties are showing promising signs.
- The Casierra Diamond properties might prove to be Cream Minerals top winning cards as prior Geological Survey of Sierra Leone estimated up to 1.8 million carats of diamonds at the site (this is a historical estimate and non-compliant with NI 43-101).
- A NI-43-101 report has outlined an Inferred Mineral Resource on the project's Dos Hornos and Once Bocas Zones in Mexico.
- The surface rock sampling on Goldsmith Property has produced several high-grade gold assays including grab samples from quartz veins that ran 197.16 g/T, 65.2g/T and 11.15g/T gold.

## Risks

- Cream Minerals is still at the exploration stage with no mining operations and is not generating any revenues.
- Economic feasibility of mining the properties depend on the volume of reserves, the ore grades, and market prices of the mining products. At this stage of exploration it is not known if mining would be economically feasible for any of Cream Minerals' properties.
- Cream Minerals' ability to operate as a going concern entity is entirely dependant upon availability of external financing.
- Cream Minerals is exposed to political risk of instability in Sierra Leone.

## THE COMPANY

Cream Minerals Ltd. ("Cream Minerals") is a Vancouver-based junior mineral exploration company. Since its incorporation, Cream Minerals has been in the business of acquiring and exploration of mineral properties. Currently Cream Minerals holds properties in Canada, Mexico and Sierra Leone, Africa. The Company is working to enhance its value through the acquisition of gold, silver, base metal, and gemstone properties which may hold economic merit.

Shares of common stock of Cream Minerals trade on the TSX Venture Exchange under the symbol CMA.V, on the OTC Bulletin Board under the symbol CRMXF and on the Frankfurt Exchange under symbol DFL.

## CREAM MINERALS' PROPERTIES

### ***Casierra Diamond Property, Sierra Leone***

In its Fiscal Year 2005, Cream Minerals entered into an agreement with Casierra Diamond Corporation ("CDC") and its wholly-owned subsidiary, Casierra Development Fund Inc. ("CDF") (collectively, Casierra") to earn an interest in production from two Exclusive Prospecting License (EPL) areas for diamonds and other minerals and metals in Sierra Leone, West Africa. In June 2006, Cream Minerals earned an undivided 70% interest in the two exploration licenses for diamonds and other minerals by issuing a total of 500,000 common shares and by completing US\$800,000 in exploration expenditures on the property. A form of joint venture will be constituted between Cream Minerals and Casierra with each party contributing to further expenditures on the property in accordance with its interest.

The two Sierra Leone Exclusive Prospecting Licenses held under option by Cream Minerals from Casierra consist of:

- EPL 1/94 which covers 10.5 km along the Sewa River Channel and adjoining terraces and flats, which drains the Kono diamond area. Kono is an important centre of diamond production in Sierra Leone with a high percentage of gem quality diamonds coming from kimberlite and alluvial sources.
- EPL 5/94 which covers an 88 square km off shore license at the mouth of the Moa and Mano rivers.

Using the expertise of a Canadian consulting company Cream Minerals is currently in the process of conducting extensive sampling programs in the target areas in order to identify a resource sufficient to support its mining operation. The targets are based on exploration work in 1995-6 and 2005 involving extensive oceanographic surveys. Shallow sampling of these targets resulted in the collection of 20 gem quality diamonds ranging in size from 0.22 carats to 1.22 carats.

Diamond products that may be recovered in the course of this program will be submitted to the Sierra Leone Government Gold and Diamond Office for valuation. This valuation will be used as a basis for determining the value of the samples processed and will be incorporated in the economic evaluation of the first target area. As neither Casierra nor Cream Minerals is in receipt of a Mining License, the stones may not be sold at this time, but can be exported for the purpose of further valuation.

Expenditures incurred on the Casierra property in fiscal 2007 include the following: Acquisition costs -C\$99,000 (2006 - C\$20,241); community relations - C\$22,984 (2006 - C\$24,903); bulk sampling - C\$407,069 (2006 -C\$Nil); marine surveys - C\$Nil (2005 - C\$13,054); drilling - \$Nil (2006 - C\$18,172); geological and geophysical - C\$148,031 (2006 - C\$193,773); site activities - C\$121,815 (2006 - C\$50,779), and travel and accommodation- C\$162,002 (2006 - C\$46,951). Activity has increased substantially, including community relations and preparation for the bulk sampling program, which was completed in the third quarter Fiscal 2007.

Cream Minerals' budget is expected to be approximately US\$500,000 in this phase of work with the objective of defining a resource of sufficient size to merit application for a mining license. Cream Minerals estimates that mining operations could be initiated at a capital cost of less than US\$10 million.

### ***Kaslo Silver Property, British Columbia***

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The 4,000-hectare Kaslo Silver Property, which is located in south-eastern British Columbia encompasses nine former high-grade silver-lead-zinc mines and is 100% owned by Cream Minerals. The various mines operated at different times during the period from 1895 to 1966. The property currently consists of 7 modified grid claims, 13 crown grants, 8 reverted crown grants, 37 two-post claims, and one mining lease of three units, for a total 160 units.

Cream Minerals acquired the property in 1996. In 1997 a trenching program successfully intersected bedrock in three areas; the Silver Bear zone, the Gold Cure zone, and the south extension of the Cork Mine, which was followed up with diamond drilling in late 1997. In 1998 and 1999, the company's expanded exploration programs consisted of geophysical (VLF-EM and gravity) surveys, soil sampling and geological mapping. The exploration programs led to diamond drilling at 6 locations: the Cork South, Silver Bear, Gold Cure, Bismark, Gibson and Black Bear zones.

In October 2004, Cream Minerals commenced a diamond drill program on its Kaslo Silver Property. This two-hole drill program was designed to test the lateral and down dip extensions of the high grade silver mineralization found within the strongly faulted Silver Bear shear structure. Diamond drilling was suspended after attempts to drill through the highly mineralized fault zone were unsuccessful. The initial drill hole was abandoned at 34 meters when the drill proved incapable of coring the shear zone. A second steeper angled drill hole was successful in intersecting the hanging wall of the mineralized shear structure. However, the second hole did not penetrate through the entire width of the shear zone and did not intersect the high-grade footwall mineralization.

Currently, Cream Minerals is implementing an extensive exploration program on this property, which includes airborne and ground geophysical surveys, diamond and rotary drilling, and bulk sampling. Cream Minerals estimates the cost to complete this program to be about C\$2,024,650. As of September 30, 2006 the costs incurred on the program totaled C\$70,738.

### ***Kootenay Gemstone Property, British Columbia***

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Cream Minerals holds an option to acquire a 100% interest in the 5,800-hectare Kootenay Gemstone (formerly called Bayonne Aquamarine) Property located in the Nelson Mining Division, British Columbia. According to this option Cream Minerals is required to issue 500,000 common shares and make cash payment of C\$100,000 to acquire 100% of this property. As of February 21, 2007, Cream Minerals had issued 500,000 common shares and had made cash payments of C\$20,000 towards full acquisition of Kootenay Gemstone Property. Cream Minerals has also staked additional claims adjacent to the claims in the original option. Claims held by Cream Minerals cover more than 30 kilometers of the Shaw Creek Stock. According to Cream Minerals, work done on the property to date has demonstrated that the Shaw Creek Stock, and immediately surrounding country rock, is highly prospective for beryl mineralization (aquamarine and emerald).

According to Cream Minerals, it has been demonstrated that litho geochemistry and soil geochemistry techniques have been successful at defining potential targets and due to the fact that the Shaw Creek Stock is still relatively unexplored, additional work is warranted on the Kootenay Gemstone Property. Cream Minerals is actively seeking a joint venture partner with gemstone experience to assist in development of this property.

### ***Goldsmith Property, British Columbia***

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Cream Minerals has an option to acquire 100% of the Goldsmith Property located north of Kaslo, British Columbia. The property contains numerous historic, small-scale, high-grade gold workings (Lucky Jack, Bullock, Swede, Goldsmith, and Gold Park) throughout a 3-kilometer long belt of altered volcanic and sedimentary host rocks. Due to the encouraging rock and soil sampling, Cream Minerals has now increased the size of its claim holdings by staking 87 new claims. The new claim acquisitions more than double the size of the original claim block and cover six small, undeveloped historic showings. The Lucky Jack claim groups are being worked contiguously with the Goldsmith group and are considered jointly to form the Goldsmith Property.

In the second half of calendar year 2006 Cream Minerals began the initial phase of its planned fiscal 2007 exploration program on its Goldsmith Property. According to CMA, encouraging results from the 2003 and 2004 soil geochemistry and rock sampling programs were followed up with detailed geological and structural mapping and expanded soil sampling. A new \$50,000 program was commenced in the first week of July 2006, to include an additional airborne survey, at a cost of C\$44,952 to date.

During the nine months ended December 31, 2006, 50,000 common shares were issued and a cash payment of \$15,000 was made on the Goldsmith Property option agreement, and 50,000 common shares were issued and a payment of \$20,000 was made on the Lucky Jack claims option agreement.

### ***Stephens Lake Property, Manitoba***

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The Stephens Lake - Trout Claim Group is 75 kilometers in length and is situated 100 kilometers east of Gillam, Manitoba. In order to facilitate the exploration of the property,

Cream Minerals, Sultan Minerals Inc., and ValGold Resources Ltd., (the "Companies") agreed to pool their three respective and contiguous exploration licenses, so that each would hold an undivided one-third interest in all three of the exploration licenses, and subsequently an agreement was entered into with BHP Billiton Diamonds Inc. ("BHP Billiton") to carry out exploration on the property. The combined exploration licenses, totaling 174,018 hectares, are referred to as the Stephens Lake Property. Approximately 1,000 meters of diamond drilling in two holes were completed by BHP Billiton in March 2006. During the period, Cream Minerals received notice from BHP Billiton that they would be withdrawing from the agreement on the Stephens Lake Property.

Five holes were drilled by BHP Billiton. Results from the final report received from BHP Billiton were received in August 2006, and the Companies are assessing the many untested geophysical targets that remain on the property, to determine whether any further work will be undertaken, or if the property interest will be terminated, or at a minimum, reduced in size.

The Companies also have an option agreement to acquire the Trout Claim Group. Under the terms of the agreement, the Companies agreed to make total cash payments of C\$110,000 (C\$23,333 paid by Cream Minerals) and issue 200,001 common shares (66,667 shares in the capital of each of the three companies, 50,001 common shares of Cream Minerals issued by September 30, 2006) to the optionor over a 36-month period from July 22, 2004. BHP Billiton reimbursed the Companies for the cash paid and for the value of the common shares issued by each company pursuant to the agreement they had with the Companies until April 2006 on the Stephens Lake Property. These reimbursements have been recorded as a reduction in the cost of the Trout Claim Group. In addition, the Companies were to jointly incur exploration expenses of no less than C\$5,000 by July 22, 2005, which was incurred, C\$50,000 cumulative prior to July 22, 2006, which was incurred, and C\$250,000 cumulative prior to July 22, 2007. Upon earning its 75.0% interest, the Companies and the optionor are able to enter into a 75:25 joint venture for the further exploration and development of the Trout Claim Group.

The BHP Billiton report states that another attempt is warranted to test the Trout 01 target with a more effective hole. The objective would be to drill at an angle of -70° south to better intersect the north dipping conductor and probable steeply dipping ultramafic to penetrate the bottom contact with the country rock, and to do down-hole EM probing.

### ***Nuevo Milenio Silver Gold Property, Mexico***

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The Nuevo Milenio property is located south east of the city of Tepic in the State of Nayarit, Mexico. The property covers several overlapping calderas defined by rhyolitic ring dykes and rhyolite domes. Although the Nuevo Milenio property was written down to a nominal carrying value of C\$1 in the year ended March 31, 2005, Cream Minerals retained its full interest in the property, through its wholly owned subsidiary Cream Minerals de Mexico S.A. de C.V. The original size of the property has since been reduced by approximately 33%, to reduce the carrying costs, consisting of taxes paid semi-annually.

In late October 2006, Cream Minerals commenced a diamond drill program of 2,000m of HQ drilling with an option to drill an additional 2,000m on the Dos Hornos zone, Nuevo Milenio property, located 20 km from Tepic, Nayarit, Mexico, with four holes completed so far.

The objective of the drill program is to test four known vein structures trending parallel and adjacent to the Dos Hornos Vein #1. The vein zone is approximately 250m wide. According to a NI 43-101 compliant Technical Report dated February 16, 2006, on the property; the following inferred mineral resources (as the term is defined in NI 43-101) were shown:

Zone	Strike Length	Average Width	Au g/t	Ag g/t
Dos Hornos	700 m	5.50 m	2.827	178.05
Once Bocas	350 m	100 m	0.345	57.90

Zone	Tonnes	Au oz	Ag oz
Dos Hornos	1,530,000	139,000	8,760,000
Once Bocas	11,590,000	129,000	21,600,000
TOTAL	13,120,000	268,000	30,340,000

The area to be tested is part of a 700m section of Dos Hornos Vein #1, which showed sufficient continuity in grade, along strike and down dip to be classified as an Inferred Mineral Resource (as the term is defined in NI 43-101). The drill program consists of drilling four parallel sections, each section consisting of 2 or 3 diamond drill holes to test targets at depth as well as across the four parallel vein systems. The main purposes of the drill program are to:

- Establish the type of mineralization below the zone of weathering and leaching;
- Check for a possible zone of supergene enrichment below the water level;
- Test the economic potential of four parallel vein structures intersected during the 2003 drill program in the section of Dos Hornos trench 3, DDH 01-03, DDH 02-03 and DDH 11-03; and
- Clarify the observed discrepancy between underground samples and drill core samples.

Expenditures incurred on the Nuevo Milenio property in fiscal 2007 include the following: assays and analysis - C\$1,351 (2006 – C\$2,111); drilling - C\$225,061 (2006 - C\$8,791); geological and geophysical - C\$120,020 (2006 - C\$41,343); site activities - C\$95,968 (2006 - C\$40,628), and travel and accommodation- C\$31,185 (2006 - C\$18,723).

## INDUSTRY OUTLOOK AND MARKET POTENTIALS

The prices of precious metals have been in a continual upward trend since the year 2000. Whereas average gold price in the year 2000 was US\$179.11 per troy ounce (oz), the average 2005 price was US\$444.74/oz and the average 2006 price was US\$ 603.77/oz. Average silver price in the year 2000 was US\$4.9506/oz, by 2005 it jumped to US\$7.3164/oz, and the average price for 2006 was US\$ 11.55 per ounce. Platinum average price that was US\$544.03 per ounce in 2000 soared to an average of US\$896.87/oz in 2005, and an average of US\$1,142.55/oz in 2006. Although this pace of price increase may not continue in the future, but the precious metal market is still bullish on prices. According to the London Bullion Association survey of precious metal specialists average forecast for 2007 gold price is US\$652.379/oz with the low forecast at US\$566.103/oz and the high forecast at US\$742.138/oz, average forecast for 2007 silver price is US\$12.750/oz with low forecast at US\$10.460/oz and high forecast at US\$15.532/oz, and the forecast for 2007 platinum price is US\$1,171.565/oz with low forecast at US\$1,022.696/oz and the high forecast at US\$1,361.783/oz.

These escalating price and price expectations brought about mainly by end users' demands have been sparking new explorations and mining activities as well as leading companies to reopen their existing mines and increase capacity and production. According to U.S. Geological Survey (USGS) the number of active gold exploration sites increased from about 580 sites in 1995 to 1,800 sites in 2004. Diamond active exploration sites accounted for about 60 sites in 1995 and increased to about 220 sites in 2004. Figure 1 below shows the trend for

number of active exploration sites for precious metals and diamond, base metals, and other minerals from 1995 through 2004.

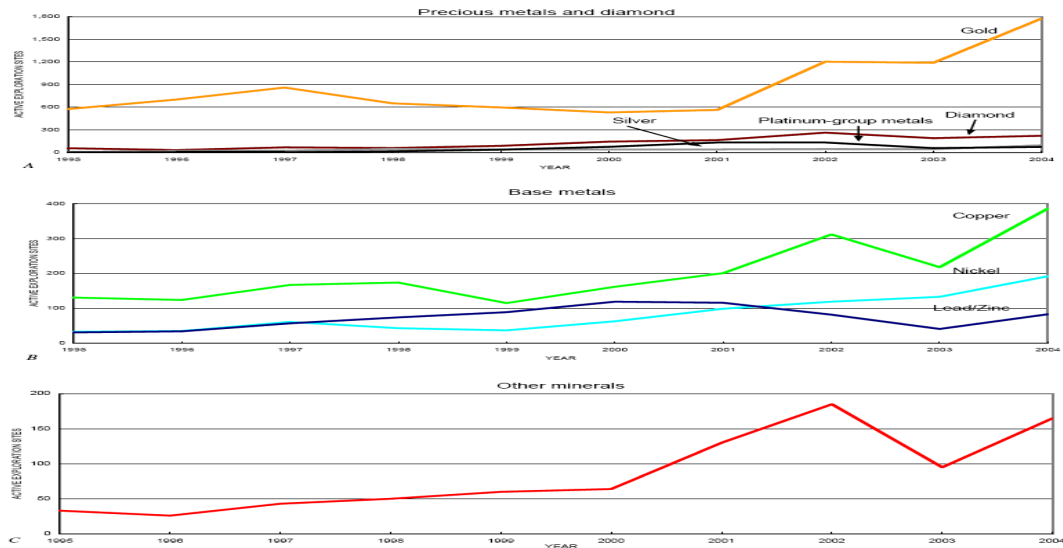


Figure 1: Trend of number of exploration site for precious metals and diamond, base metals, and other minerals (Source USGS)

The correlations between the number of active exploration sites and prices for gold, copper, nickel, and platinum group metals are shown in Figure 2 below:

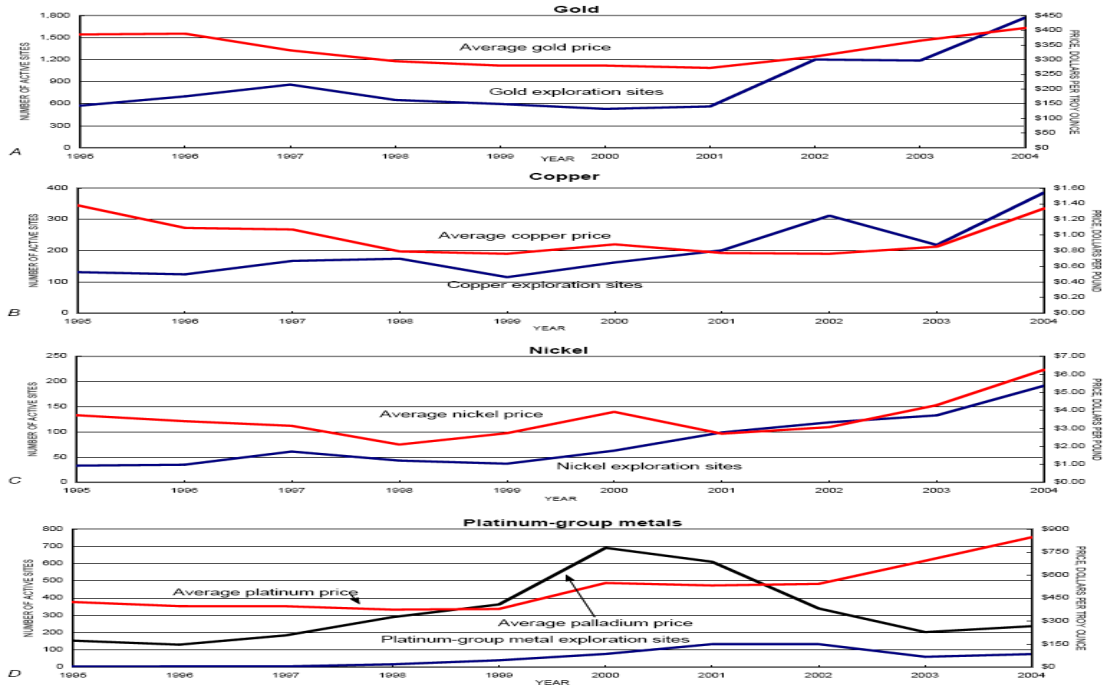


Figure 2: Correlation between number of active sites and prices (Source USGS)

The lucrative metal market since the year 2000 and the resulting increase in explorations and mining activities led to higher world mine production and to more depletion of reserves, but at the same time it provided the incentive for discovery of higher level of reserve base. Table 1 below shows world mine productions, reserves, and reserve base for diamond, gold, platinum, and silver for the years 1999 and 2006.

Table 1

*World Mine Production, Reserves, and Reserve Base of Precious Metals and Diamond for the Years 1999 and 2006 (source: USGS).*

	<b>Mine production</b>	<b>Reserves</b>	<b>Reserve base</b>
<b>Industrial Diamond (million carats)</b>			
1999	60.5	580	1,200
2006	85	580	1,300
<b>Gold (metric tons)</b>			
1999	2,330	49,000	77,000
2006	2,500	42,000	90,000
<b>Platinum (kilograms)</b>			
1999	150,000	71,000,000	78,000,000
2006	223,000	71,000,000	80,000,000
<b>Silver (metric tons)</b>			
1999	15,900	280,000	420,000
2006	19,500	270,000	570,000

Despite the boost in mine productions in recent years, it is expected that demand for precious metals and diamond would outweigh current production levels due to the diversified and expanding end-uses of these mineral products.

For diamond, end-uses are jewelry, machinery manufacturing, mineral exploration, stone and ceramic production, construction, transportation, and other industrial uses.

According to Natural Resources Canada, "World production of natural rough diamonds in 2005 is estimated at 175.9 million carats (ct) valued at US\$11.3 billion, for an average price of US\$64.24/ct. This represents an 8.3% increase in production on a carat basis and an increase of 10.0% on a value basis over that of 2004. This increase is in large part due to the hike in production (carats) at the Argyle mine in Australia, in the Russian Federation, in the Democratic Republic of Congo, and in the Republic of South Africa. While rough diamonds are currently believed to be in equilibrium relative to demand, market observers only estimate an average yearly increase of 1.8% in the world production of rough diamonds until 2010, while demand is forecasted to increase yearly by nearly 5% over the same period. This situation should result in price increases in the coming years".

For gold, end-use categories are jewelry and the arts, industrial, dental, coins, investment, and hedge against inflation and political uncertainties in the world. Most of the gold that is produced today is used for jewelry. However, because of its superior electrical conductivity and resistance to corrosion and other desirable combinations of physical and chemical properties, gold also emerged in the late 20th century as an essential industrial metal. Gold

performs critical functions in computers, communications equipment, spacecraft, jet aircraft engines, and a host of other products.

In case of global economic slowdown although industrial and jewelry demand for gold might soften, demand for gold as a store of value will do the reverse. Specifically slowdown in the U.S. economy will possibly be accompanied by continuation of the weak U.S. dollar which will divert part of U.S. denominated assets into gold. The introduction of gold Exchange Traded Fund (ETF) in 2004 has made it quite easy for investors to use gold as store of value and as a hedge instrument.

Silver has many uses. The most important use for silver is in the manufacture of photographic materials. Among the applications for silver are electrical and electronic products, including some types of batteries, brazing alloys and solders, catalysts, dental and medical products, jewelry, sterling ware, electroplated ware, bearings, and mirrors. In recent years silver has found many new applications. Plasma TV / display screens can use up to 1oz of silver per screen, smart tags are being used instead of bar codes, glass can be treated with a double layer of silver to reflect the sun's heat, and there are numerous high-tech applications across the pharmaceutical, electrical and water purification industries. One of the biggest new uses, however, is solder. These new applications have just started on a commercial basis and although only small amount of silver is used per item, the market for these applications is global and is expected to spread fast. Although industrial demand for silver is likely to suffer in an economic slowdown, the fact that it is finding so many new high-tech applications will make silver shielded by a slowdown. The introduction of silver ETF is also boosting up the demand for silver as an investment instrument.

As for platinum, apart from its use in jewelry and as an investment vehicle, there are many industrial uses. Platinum is used as catalysts for air pollution abatement to remove organic vapors, odors, and carbon monoxide. Chemical uses include catalysts for organic synthesis, production of nitric acid, and fabrication of laboratory equipment. Platinum alloys, in cast or wrought form, are commonly used for jewelry. Platinum, palladium, and a variety of complex gold-silver copper alloys are used as dental restorative materials. A recent important application of platinum is in alternative energy industry. The necessity for an alternative fuel for automobiles has prompted a great deal of global public and private effort to develop fuel cell technology. Platinum is the catalyst used by fuel cells to convert hydrogen and oxygen to electricity. According to USGS "an increase in diesel car sales in Europe can be expected to cause a strong increase in use of platinum in the region in 2007 and beyond. The tightening of emissions regulations in China, Europe, Japan, and other parts of the world is also expected to lead to higher average platinum loadings on catalysts, especially on light-duty diesel vehicles, as particulate matter emissions become more closely controlled. In the United States, thrifting is continuing at most manufacturers and is likely to lead to a reduction in the use of platinum in autocatalysts. The sales of platinum jewelry are expected to drop worldwide as the price continues to be high and white gold and palladium are substituted for platinum".

However, despite possible softening of demand for certain uses of platinum, there is one factor that could support platinum prices and that is the strong Rand that could once again lead to production difficulties in South Africa. Given the outlook for dollar to stay weak this factor could put pressure on platinum price in the coming years.

**FINANCIAL OVERVIEW (ALL AMOUNTS ARE IN CANADIAN \$)**

Cream Minerals prepares its financial statements in accordance with Canadian Generally Accepted Accounting Principles. Its consolidated financial statements include the accounts of Cream Minerals and its wholly owned subsidiary, Cream Minerals de Mexico, S.A. de C.V., with all material intercompany balances and transactions being eliminated.

Mineral property acquisition costs and exploration and development costs are recorded at cost and deferred until the property to which they relate is placed into production, sold, allowed to lapse, or abandoned. These costs will be amortized over the estimated useful life of the property following commencement of commercial production or will be written off if the property is sold, allowed to lapse, or is impaired.

***Income Statement***

Cream Minerals is still operating at the exploration stage of its venture and, therefore, is not generating revenues and consequently its income statement basically consists of various expenses.

**Cream Minerals Consolidated Income Statements  
 for the Nine Months Ended December 31, 2006 and 2005**

	For the Nine Months Ended December 31,	
	2006	2005
<b>Expenses</b>		
Amortization	1,474	18,191
Foreign exchange losses	(11,944)	2,473
Legal, accounting and audit	32,467	20,792
Management and consulting fees	68,000	28,000
Office and administration	61,366	98,815
Property investigations	12,132	-
Salaries and benefits	55,981	61,222
Shareholder communications	206,187	138,575
Stock-based compensation	62,427	198,720
Travel and conferences	6,583	40,375
Write-down of investments	-	24,999
Write-down of mineral property interests	-	172,697
(Recovery)/write-down of value added tax	-	(69,841)
Interest and other income	(21,175)	(282)
<b>Loss for the period</b>	<b>(473,498)</b>	<b>(734,700)</b>
<b>Loss per share, basic and diluted</b>	<b>(0.01)</b>	<b>(0.02)</b>
<b>Accumulated losses end of period</b>	<b>(18,405,314)</b>	<b>(17,775,252)</b>
<b>Weighted average number of common shares outstanding – basic and diluted</b>	<b>38,785,343</b>	<b>32,576,276</b>

Cream Minerals' total expenses consist of cash and non-cash expenses. Shareholders communication and office and management and consulting fees are on the top list of cash expenses. Stock-based compensation and write-down of mineral property interests are major components of the non-cash expenses. For the nine months ended December 31, 2006, Cream Minerals net cash expenses totaled C\$409,597 (C\$320,093 for comparable period in 2005) out of which C\$206,187 (C\$138,575 for comparable period in 2005) were expensed for shareholders' communication and C\$61,366 (C\$98,815 for comparable period in 2005) were expensed for office and administration. Total non-cash expenses for the nine months ended December 31, 2006 were C\$63,901 (C\$414,607 for comparable period in 2005 ) out of which, C\$62,427 (C\$198,720 for comparable period in 2005 ) were related to stock compensation and none (C\$172,697 for comparable period in 2005 ) was related to write-down of mineral property interests.

Overall, for the nine months ended December 31, 2006, Cream Minerals' total expenses and, therefore, its loss for the period was C\$473,498, a substantial decrease from its loss of C\$734,700 for comparable period in 2005. Thus, loss per share for the nine months ended December 31, 2006 and 2005 were C\$(0.01) and C\$(0.02) respectively based on weighted average number of basic and diluted common shares outstanding during the respective periods.

**Cream Minerals Consolidated Income Statements  
 for the Three Months Ended December 31, 2006 and 2005**

	For the Three Months Ended December 31,	
	2006	2005
<b>Expenses</b>		
Amortization	731	8,118
Foreign exchange losses	(25,309)	19
Legal, accounting and audit	15,493	8,550
Management and consulting fees	28,000	13,000
Office and administration	12,056	27,730
Property investigations	-	-
Salaries and benefits	9,964	118
Shareholder communications	59,994	31,692
Stock-based compensation	15,105	61,401
Travel and conferences	3,724	-
Write-down of investments	-	24,999
Write-down of mineral property interests	-	-
(Recovery)/write-down of value added tax	-	-
Interest and other income	(13,179)	(44)
<b>Loss for the period</b>	<b>(118,523)</b>	<b>(175,583)</b>
<b>Loss per share, basic and diluted</b>	<b>(0.00)</b>	<b>(0.01)</b>
<b>Accumulated losses end of period</b>	<b>(18,405,314)</b>	<b>(17,775,252)</b>
<b>Weighted average number of common shares outstanding – basic and diluted</b>	<b>38,785,343</b>	<b>32,576,276</b>

For the three months ended December 31, 2006, Cream Minerals' net cash expenses totaled C\$102,687 (C\$81,065 for comparable period in 2005) out of which C\$59,994 (C\$31,692 for comparable period in 2005) were expensed for shareholders' communication and C\$28,000 (C\$13,000 for comparable period in 2005) were expensed for management and consulting fees. Total non-cash expenses for the three months ended December 31, 2006, were C\$15,836 (C\$94,518 for comparable period in 2005) out of which C\$15,105 (C\$61,401 for comparable period in 2005) were related to stock compensation. There was no write-down of mineral property interest during the three months ended December 31, 2006.

Overall, Cream Minerals' total expenses and, therefore, its loss for its 3<sup>rd</sup> quarter Fiscal Year 2007 was C\$118,523 a decline of over 32.5% as compared to its loss of C\$175,583 for the similar period in its previous Fiscal Year. Thus, loss per share for the three months ended December 31, 2006 and 2005 were C\$(0.00) and C\$(0.01) respectively based on weighted average number of basic and diluted common shares outstanding during the respective periods.

## **Balance Sheet**

### **Cream Minerals Consolidated Balance Sheet**

	December 31, 2006	March 31, 2006
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	61,735	398,815
Taxes recoverable	44,657	13,636
Due from related parties	116,647	16,866
Accounts receivable and prepaid expenses	56,936	3,049
<b>Total current assets</b>	<b>279,975</b>	<b>432,366</b>
<b>Mineral property interests</b>	<b>3,043,935</b>	<b>1,323,978</b>
<b>Equipment</b>	<b>180,090</b>	<b>40,023</b>
<b>Investments</b>	<b>31,706</b>	<b>31,706</b>
<b>Reclamation and other deposits</b>	<b>19,503</b>	<b>32,883</b>
<b>Total assets</b>	<b>3,555,209</b>	<b>1,860,956</b>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities	222,341	15,670
Accounts payable, related parties	254,334	450,838
<b>Total current liabilities</b>	<b>476,675</b>	<b>466,508</b>
<b>Shareholders' equity</b>	<b>3,078,534</b>	<b>1,394,448</b>
<b>Total liabilities and shareholders' equity</b>	<b>3,555,209</b>	<b>1,860,956</b>

As of December 31, 2006, Cream Minerals' balance sheet showed C\$61,735 in cash and cash equivalents. Cream Minerals net working capital as of December 31, 2006, was negative C\$(196,700) as compared to its negative working capital of C\$ (34,142) as of March 31, 2006. Decrease in cash and cash equivalents and increase in accounts payable were the main reasons for the decline in net working capital during the three quarters of Fiscal Year 2007 operation.

During the nine months ended December 31, 2006, Cream Minerals more than doubled its mineral property interest from C\$1,323,978 as of March 31, 2006, to C\$3,043,935 as of December 31, 2006. This increase in mineral property interests was totally financed through issuance of new shares for cash, and thus the shareholders' equity increased from C\$1,860,956 to C\$3,555,209 in the first nine months of Fiscal Year 2007. Cream Minerals does not have any long-term debt.

Mineral property interests consist of acquisition costs, exploration costs, and development costs.

Based on cash expenses during the first nine months of Fiscal Year 2007, Cream Minerals recent cash burn rate is estimated to be about C\$51,000 per month. Given the cash and cash equivalents of C\$61,735 showing in Cream Minerals balance sheet as of December 31, 2006, Cream Minerals must resort to external financing to continue operation. (See "Recent Developments")

## MANAGEMENT

### ***Frank Lang, B.A., M.A., P.Eng., President, CEO and Director***

Mr. Lang has a proven track record in discovering economical mineral deposits and the ability to raise the capital necessary to bring them to fruition. In 1980 Mr. Lang initiated Aurizon Mines which is now producing 43,000 ounces of gold annually and in 1982 he co-discovered Hemlo Gold Mines which now produces 500,000 ounces of gold annually.

### ***Arthur G. Troup, M.Sc., P.Eng., Vice President Exploration and Director***

Mr. Troup a P.Eng., has served as Vice President, Exploration of Cream Minerals since 1997 and as a director of the Company since 1987. Mr. Troup is also the President, CEO and director of Sultan Minerals Inc. He has also served as Vice President, Exploration of ValGold Resources Ltd. (previously, Valerie Gold Resources Ltd.) and Engold Mining Corporation and was the President of Archean Engineering Ltd., a firm offering project management and mineral exploration services, from 1981 through 1988.

Mr. Troup graduated from McMaster University in Hamilton, Ontario with a M.Sc. in Geology, and is a Professional Engineer in the Province of British Columbia. He has 30 years experience in the mining industry in North American, South America, Southeast Asia and North Africa working for Rio Algom Exploration, Teck Corporation, Canada Nickel Corporation and Placer Dome Canada Limited.

### ***Sargent H. Berner, LLB, Director***

Mr. Berner has served as a director of the Company since 1995, and is also a director of Titan Logix Corp. (formerly Titan Pacific Resources Corp.), Sultan Minerals Inc., ValGold Resources Ltd., Engold Mining Corporation, Aurizon Mines Ltd., Olivut Resources Ltd., Canadian Small Cap Resource Fund 2005 No.1 and 2006 No.1 and No.2 , and 2007 No. 1 Limited Partnerships, NovaDx Ventures Corp. (formerly NovaDx International Inc.), Centillion Industries Inc., Ontario Hose Specialties Inc., and Pacific Ridge Exploration Ltd. Mr. Berner is also the Corporate Secretary of Northern Orion Resources Inc. He was a partner of the Vancouver law firm of DuMoulin Black LLP from 1976 to 2006, and served as Managing Partner of that firm from 1994 to 1996. From 1968 to 1976, he was a Professor of Law and member of the Faculty of Law of the University of British Columbia. He was a member of the British Columbia Corporate and Financial Services Commission (predecessor to the British Columbia Securities Commission) in 1975-1976, and was a member of the Vancouver Stock Exchange Advisory Committee in 1992-1993. He earned a B.A. in English and Economics from the University of British Columbia, an LL.B. from the University of British Columbia, and an LL.M. from the London School of Economics.

### ***Ferdinand Holcapek, B.Sc., P.Eng. Director and General Administrator Cream Minerals de Mexico, S.A. de C.V.***

Mr. Holcapek, a graduate of the University of British Columbia in geology and geophysics and is a Profession Engineer in the Province of British Columbia. He has been active in the mineral exploration business since 1962, and has extensive experience in the acquisition, management and exploration of mineral deposits in Canada, Mexico, Nicaragua, USA,

Australia and Africa.

From 1970 to 1978 as Exploration Manager he was responsible for all projects of Agilis Engineering Ltd., a Vancouver based consulting and management group, in Canada, Australia, Nicaragua, Mexico and USA. From 1979 to 1982 he was Director of Exploration for the Nicaraguan Government responsible for cataloguing and evaluating mining properties in Nicaragua and for production of the existing mines. From 1982 to 1990 he was the Principal of Pace Geox Services Ltd.

Since 1991, Mr. Holcapek has acted as exploration and administrative manager in Mexico for the Lang Mining group of companies. Mr. Holcapek is Director General of Cream Minerals de Mexico S.A. de C.V., and is in charge of Cream Minerals' exploration projects in Mexico.

### ***Robin Merrifield, C.A. (S.A.), Director***

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Robin Merrifield is a chartered accountant with substantial international experience. He obtained his professional designation while working for Deloitte in Cape Town, South Africa. Subsequent to Deloitte, he served as the South African group financial manager for the diversified interests of a large UK shipping and hotel group, where he was involved in substantial manufacturing, property development and hotel activities.

His first foreign assignment took him to the Kalahari Desert in Botswana for ten years, as Financial Controller for a large nickel/copper mining complex, controlled by Anglo-American Corporation.

In Canada, he first served as Assistant Vice-President Finance for a Vancouver company with gold mining operations in the United States, before moving to Saskatoon, on the Canadian prairies, to become Controller for the world's largest producer of uranium, Cameco Corporation.

Cameco's entry into gold mining saw him relocating to live in Kyrgyzstan for four years and act as Vice-President, Finance of Kumtor Operating Company, the operator of the large Kumtor gold project.

Having return to his home in Vancouver, Canada, he now provides financial and general management consulting services internationally and locally. Clients have included: a copper/gold mine in the Republic of Georgia, and mineral exploration companies operating in Canada, South America and Central Asia.

Returning to his home in Vancouver, Canada, he provided financial and general management consulting services, to the mining industry, in a number of Central Asian countries and locally. He currently serves as Senior Vice President and Chief Financial Officer of UrAsia Energy Ltd, a Canadian uranium producing and developing company operating in Kazakhstan.

### ***C. Douglas Lang, CGA, Director***

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Douglas Lang is a Certified General Accountant who obtained his professional designation while employed with the City of Campbell River. His position with the City was that of Chief Financial Officer (1991 to 2005) and he regularly managed complex annual budgets in excess of \$60 million. Under Mr. Lang's stewardship the City twice received the Canadian Award for Financial Reporting.

He presently serves as a director and held the position as board chair (2005/06) of Coastal Community Credit Union. The Credit Union has assets of \$1.3 billion dollars and employs over

500 people. He has also been a member of their Audit and Finance Committee.

He is currently working as an independent consultant for local governments in British Columbia and has done consulting work for the junior mining industry.

### ***Shannon Ross, C.A., CFO & Corporate Secretary***

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Shannon Ross brings more than 25 years of accounting and financial management experience to Cream Minerals. Shannon began her career in public practice, moved to mining industry as an internal auditor for Cominco Ltd., and has served as controller and chief financial officer for several mining companies before joining the Lang Mining Group. Shannon holds a Bachelor of Commerce degree and is a registered Chartered Accountant.

## **RECENT DEVELOPMENTS**

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### ***Cream Minerals Completes C\$1 Million Non-Brokered Private Placement***

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On February 22, 2006, Cream Minerals announces that it has completed its previously announced non-brokered private placement of 2,500,000 units (the "Units") at a price of \$0.40 per Unit, for gross proceeds of C\$1,000,000. Each Unit is comprised of one common share in the capital of Cream Minerals and one-half of one non-transferable share purchase warrant. Each whole share purchase warrant entitles the holder to purchase one additional common share of Cream Minerals for a period of 24 months expiring February 21, 2009, at an exercise price of C\$0.50 per share.

Frank A. Lang, President, CEO and Director of Cream Minerals acquired 2,160,000 Units on the same terms as the other subscribers to the private placement. Immediately prior to the closing of the private placement, Frank A. Lang beneficially owned or had control of, or direction over, 7,582,181 common shares and securities convertible into an additional 2,770,000 common shares of Cream Minerals equal in aggregate to approximately 27% of the issued and outstanding common shares of Cream Minerals. The acquisition of 2,160,000 Units by Mr. Lang constitutes an increase in his holdings equal to approximately 6% of the post closing issued and outstanding common shares of Cream Minerals, or an aggregate of approximately 33%.

There were no finders' fees or commissions due or payable for this private placement offering. All shares, warrants and any shares issued upon exercise of the warrants with respect to the above private placements are subject to a hold period and may not be traded for four months plus one day expiring June 22, 2007.

Proceeds from the non-brokered private placement will be used to continue silver-gold exploration at Cream Minerals' Nuevo Milenio project in Mexico, continue bulk sampling for diamonds at the Casierra project in Sierra Leone, and for general working capital.

### ***Cream Minerals Reports on Gold-Silver Mineralization in Cerro Chacuaco, Mexico***

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On February 6, 2007, Cream Minerals announced that through its 100% owned Mexican subsidiary, Cream Minerals de Mexico S.A. de C.V., it had received a Geological Report dated January 30, 2007, compliant with National Instrument 43-101, on the Cerro Chacuaco-Arroyo Chacuaco Silicified-Quartz Stock Work Zone to re-evaluate all geological, geochemical and

diamond drill data of the Cerro Chacuaco Zone, Nuevo Milenio Project, located 20 km from Tepic, Nayarit State, Mexico. This report is complementary to previous reports defining inferred mineral resources on the nearby Dos Hornos and Once Bocas zones

### **Goldsmith Property: Results of the 2006 exploration program**

On January 18, 2007, Cream Minerals announced results of the 2006 exploration program conducted on its Goldsmith Property, located north of Kaslo, southeastern British Columbia. This program consisted of infill soil sampling within parts of the previously identified gold geochemical anomalous zone, detailed mapping and rock sampling in previously unmapped areas, and helicopter-borne magnetic and electromagnetic (EM) surveying over the southern portion of the property which encompassed the anomalous gold zone.

According to the announcement:

- The infill soil sampling better defined the original 2 kilometre long - gold, copper, arsenic - anomaly as well as extending it along its previous periphery. The surface rock sampling produced several high-grade gold assays including grab samples from quartz veins that ran 197.16 g/T, 65.2g/T and 11.15g/T gold.
- The AeroTEM II - time domain electromagnetic - airborne survey pinpointed a 3 kilometre long EM conductor that is coincident with the above mentioned polymetallic geochemical anomaly, and that is associated with elevated magnetics on the southern flank of a linear magnetic high that strikes northwestwards across the property.
- In addition, another as yet undefined EM conductor on the northeastern portion coverage resulted in the acquisition of more ground by Cream Minerals.
- Plans for the 2007 program include extension of the airborne work to cover the whole property in the spring, to be followed by detail geochemistry over the presently known and any additionally located EM conductors, and last, but certainly not least, drill testing of the large coincident geophysical - geochemical target for poly metallic mineralization after recession of the snow cover.

### **Cream Minerals Confirms Gold-Silver Grades with Dos Hornos Drilling**

On January 16, 2007, Cream Minerals announced its 100% owned Mexican subsidiary, Cream Minerals de Mexico S.A. de C.V., has received assay results for Dos Hornos North Zone diamond drill holes DDH 01 - 06 and DDH 02 - 06. The results demonstrate the continuity of gold-silver grades along strike and depth.

According to the announcement:

- The present diamond drilling is spaced to approximately 100 m intervals along a 500 meter strike length at the north end of the 3,000 meter Dos Hornos Vein System. Results from the first two diamond drill holes confirm that the mineralization extends to depth, width and length, and carries significant gold-silver values.
- Values in hole DDH 01-06 are lower than expected due to poor core recovery (5% to 80%) in quartz-breccia fault zones. However, better core recovery in hole DDH 02-06 showed excellent gold-silver values over widths (drill lengths) of up to 28 m (91.84 ft) in Vein1 (1.647 g/T gold and 78.88 g/T silver). Some of the better values included in

this are 14 m (45.92 ft) of 0.529 g/T gold and 134.69 g/T silver, while the highest value (19.300 g/T gold and 134.69 g/T silver) occur over a 2 meter (6.56 ft) width from 130.50 to 132.50 m at the bottom of the mineralized section.

### **Cream Minerals Completes DDH 01-06 to DDH 08-06 to Cut Dos Hornos, Mexico**

On December 20, 2006, Cream Minerals announced that:

- Its 100% owned Mexican subsidiary, Cream Minerals de Mexico S.A. de C.V., has completed eight diamond drill holes out of the planned ten drill holes for a total of 1,545.5 m out of 2,000 m. The program was stopped for the Christmas Holiday and recommenced in early January 2007. . All samples have been shipped to the laboratory of Inspectorate in Reno, Nevada, USA.
- The diamond drill holes completed are spaced along a 500 m strike length of Dos Hornos North Vein 1 and tested the mineralized structure 100 m to 200 m below surface. The objectives of the drill program are to test the Dos Hornos Vein 1 at depth, to establish the actual width of the mineralized system and to check on indicated parallel mineralized structures. Assays from holes 01-06 and 02-06 are due shortly. Assays from holes 03 to 08 are subject to laboratory delays.
- The diamond drill program completed to date has confirmed the presence of Multiple Quartz Veins and Quartz Stockwork zones. This is the first time that silver sulphides have been observed in Quartz Veins, as fracture filling and as dissemination in silica-flooded zones. Minor Galena, Chalcopyrite and Sphalerite were also observed in places.

### **Cream Minerals Opens Bridges and Completes Phase I Bulk Diamond Sampling Test on Offshore Licence, Sierra Leone**

On December 15, 2006, Cream Mineral announced that the Company executed a Phase I bulk sampling program in November-December 2006 on its offshore marine exploration license in Sierra Leone. The bridge opening was warmly received by the people of the area and television coverage was screened on three evenings on Sierra Leone National Television, with clips of supportive comments from the Paramount Chief of Lubu Chiefdom and his Chiefs and their Elders. The bridge construction was a joint venture with three village groups and allows access for heavier equipment and vehicles to the advantage of both the traditional landowners and Cream Minerals in its exploration work.

According the announcement during the bulk sampling work, Cream Minerals deployed a crew from Pottinger Gaherty Environmental Engineering to carry out baseline studies for the purpose of developing data for an environmental impact assessment for a marine mining operation. The initial work shows no major constraints to such an operation. Fishing communities along the coast were consulted during this baseline data gathering in order to develop a working relationship with the people whose precarious livelihoods are based on the same area of the Atlantic Ocean. Fishery enhancement is a potential long-term benefit that marine mining operations may be able to achieve without significant additional costs if built into the mining plan at an early stage.

## ***Cream Minerals Reports Kimberlite Dykes in Area of Casierra Licences, Sierra Leone***

On November 14, 2006, Cream Minerals announced that it has received a report from the former Deputy Director of the Geological Survey of Sierra Leone that notes at least four kimberlite dykes in the area of the optioned Casierra License (EPL 1/94). This recent confirmation of kimberlite dykes in the Casierra License area may account for the relatively high grades (0.4 carats/cu yd or approximately 0.5 carats/cu meter) of diamonds indicated in earlier Geological Survey reports describing the Sewa License area.

### **CLOSING SUMMARY**

Cream Minerals aggressive and consistent exploration programs on its properties are showing promising signs.

The recent confirmation of the existence of kimberlite dykes in the Casierra License area, Sierra Leone may account for the relatively high grades (0.4 carats/cu yd or approximately 0.5 carats/cu meter) of diamonds indicated in earlier Geological Survey reports describing the Sewa License area. In fact the Casierra Diamond properties might prove to be Cream Minerals' top winning cards as prior Geological Survey of Sierra Leone estimated up to 1.8 million carats of diamonds may be present at the location (this is a historical estimate and non-compliant with NI 43-101). Cream Minerals has initiated and plans to start (March 2007) an extensive bulk sampling on this property

A NI-43-101 compliant report has outlined an Inferred Mineral Resource on the Dos Hornos and Once Bocas Zones of Cream Minerals' Nuevo Milenio project in Mexico. Assay results for the Dos Hornos North Zone diamond drill holes DDH 01 -06 and DDH 02 – 06 have demonstrated the continuity of gold-silver grades along strike and depth.

The surface rock sampling on Cream Minerals' Goldsmith Property has produced several high-grade gold assays including grab samples from quartz veins that ran 197.16 g/T, 65.2g/T and 11.15g/T gold.

However, Cream Minerals is still at the exploration stage and is not generating any revenues yet. Therefore, its acquisition, exploration, and development costs, as well as its operating expenses need to be financed through external sources. Historically, Cream Minerals' sole source of funding has been the issuance of equity securities for cash, primarily through private placements to sophisticated investors and institutions. Cream Minerals has issued common shares in each of the past few years, pursuant to private placement financings and the exercise of warrants and options.

Cream Minerals' latest external financing, which was completed on February 21, 2007, injected new cash into Cream Minerals in the gross amount of C\$1,000,000. According to Cream Minerals, proceeds from this non-brokered private placement will be used to continue silver-gold exploration at its Nuevo Milenio project in Mexico, continue bulk sampling for diamonds at the Casierra project in Sierra Leone, and for general working capital.

Nonetheless, Cream Minerals needs further external financing to continue exploration and development work on its mineral properties. Based on cash expenses during the first nine months of Fiscal Year 2007, Cream Minerals' recent cash burn rate is estimated to be about C\$51,000 per month. Given the cash and cash equivalents of C\$61,735 showing in Cream Minerals' balance sheet as of December 31, 2006, Cream Minerals must resort to external financing to continue operation.

Although Cream Minerals has been successful in raising funds so far, there can be no assurance that additional funding will be available in the future. Thus, Cream Minerals' ability to operate as a going concern entity is entirely dependant upon availability of external financing.

Finally, Cream Minerals is exposed to political risk of instability in Sierra Leone. According to <https://www.cia.gov/cia/publications/factbook/geos/sl.html> "Mounting tensions related to planned 2007 elections, deteriorating political and economic conditions in Guinea, and the tenuous security situation in neighboring Liberia may present challenges to continuing progress in Sierra Leone's stability".

**Analyst's Statement:** "I have prepared this report, and the content within it, including all opinions, are solely my own." (Mohammad Sharifzadeh, PhD., CFA)

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[http://www.sec.gov/info/smallbus/acspc/acspc-finalreport\\_d.pdf](http://www.sec.gov/info/smallbus/acspc/acspc-finalreport_d.pdf)

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**“Maintain policies that allow company-sponsored research to occur** with full disclosure by the research provider as to the nature of the relationship with the company being covered.

**“Entities providing such research should disclose and adhere to a set of ethical standards\*** that ensure quality and transparency and minimize conflicts of interest.”

Further, **“the trading markets for public companies are assisted in great measure by the dissemination of quality investment research.** Investment research coverage for public companies in general, and for smaller public companies in particular, has declined dramatically in recent years, however, as economic and regulatory pressures have led the financial industry to dramatically reduce research budgets.

“The problem is particularly pronounced in the case of smallcap companies, of which less than half receive coverage by even a single analyst, and in the microcap universe, where analyst coverage is virtually non-existent ...

**“A lack of independent coverage has several adverse effects,** both for individual companies and for the capital markets as a whole:

- “companies with no independent analyst coverage have a reduced market capitalization in comparison with companies that do have such coverage, and are subject to higher financing costs when compared with their analyst-covered peers;
- “a lack of coverage by independent analysts limits shareholders’ and prospective shareholders’ ability to obtain an informed outsider’s perspective on identifying strengths and weaknesses and areas for improvement;
- “the lack of coverage lessens the entire “mix of information” made available to investment bankers, fund managers and individual investors, which makes markets less efficient; and
- “because analyst reports trigger the buying and selling of shares, the lack of such reports frustrates the formation of a robust trading market.”

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