

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 20-F/A

REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) or 12(g) OF THE *SECURITIES EXCHANGE ACT OF 1934*

OR

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE *SECURITIES EXCHANGE ACT OF 1934*

For the fiscal year ended March 31, 2012 (with other information to July 29, 2012, except where noted)

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE *SECURITIES EXCHANGE ACT OF 1934*

For the transition period from _____ to _____.

OR

SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE *SECURITIES EXCHANGE ACT OF 1934*

Date of event requiring this shell company report _____

Commission file number 0-29870

CREAM MINERALS LTD.

(Exact name of Registrant as specified in its charter)

BRITISH COLUMBIA, CANADA

(Jurisdiction of incorporation or organization)

**Suite 1400, 570 Granville Street
Vancouver, British Columbia, Canada, V6C 3P1**

(Address of principal executive offices)

**Contact: Angela Yap, Chief Financial Officer, (604) 687 4622, facsimile – (604) 687 4212,
Suite 1400, 570 Granville Street, Vancouver, British Columbia, Canada, V6C 3P1**

(Name, telephone, e-mail and/or facsimile number and address of Company contact person)

Securities registered or to be registered pursuant to Section 12(b) of the Act:

Title of Each Class

Name of each exchange on which registered

None

Not applicable

Securities registered or to be registered pursuant to Section 12(g) of the Act:

Common Shares without Par Value

(Title of Class)

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act: None

Number of outstanding shares of Cream's only class of issued capital stock as at March 31, 2012:

152,642,916 Common Shares Without Par Value

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes No

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the *Securities Exchange Act of 1934*.

Yes No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the *Securities Exchange Act of 1934* during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer.

Large Accelerated Filer

Accelerated Filer

Non-Accelerated Filer

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing:

U.S. GAAP

International Financial Reporting Standards
as issued by the International Accounting Standards Board

Other

If other has been checked in response to the previous question, indicate by check mark which financial statement item Registrant has elected to follow:

Item 17

Item 18

If this report is an Annual Report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes No

Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Section 12, 13 or 15(d) of the *Securities Exchange Act of 1934* subsequent to the distribution of securities under a plan confirmed by a court.

NOT APPLICABLE

EXPLANATORY NOTICE TO READER

On August 1, 2012, Cream Minerals Ltd. (“Cream” or the “Company”) filed its annual report on Form 20-F for the year ended March 31, 2012 (the “Annual Report”). Subsequent to filing the Annual Report, Cream noted certain typographical errors in the table titled “Resource Summary Nuevo Milenio” included on pages 25 and 26 of the Annual Report. A corrected version of that table, which supersedes the earlier filed version, together with certifications under Sections 302 and 906 of the Sarbanes-Oxley Act of 2002, is filed herewith. No other portions of the Annual Report are being amended.

CAUTIONARY STATEMENT REGARDING FORWARD LOOKING INFORMATION

Certain statements in this Annual Report on Form 20-F (this “Annual Report”) under the captions “Item 3 - Risk Factors”, “Item 4 – “Business Overview”, Item 5 - “Operating and Financial Review and Prospects” and “Item 11 - Quantitative and Qualitative Disclosures about Market Risk” and elsewhere in this Annual Report and the documents incorporated herein by reference constitute “forward-looking statements” within the meaning of the U.S. Securities Litigation Reform Act of 1995 and “forward-looking information under applicable Canadian securities legislation. Some forward-looking statements may be identified by such terms as “believes”, “anticipates”, “intends” or “expects”. Forward-looking statements and information in this Annual Report include statements regarding the Company’s plans for its projects, statements relating to mineral resources, as they are based on various assumptions that are inherently forward-looking, statements regarding the anticipated timing by which the Company will require additional funds, and the anticipated timing of the updated mineral resource estimate on the Company’s Nuevo Milenio project. These forward-looking statements are based on the Company’s current expectations and projections about future events and financial trends affecting the financial condition of its business and the industry in which it operates. Such forward-looking statements are based on assumptions regarding future events and other matters and are subject to known and unknown risks, uncertainties and other factors including the factors set forth in other filings with the Canadian securities commissions and the United States Securities and Exchange Commission (the “Commission”), which may cause the actual results, performance or achievements of the Company or industry results to be materially different from any future results, performance, or achievements expressed or implied by such forward-looking statements. Assumptions on which forward-looking statements are based include the assumptions underlying mineral resource estimates and in the technical reports supporting such estimates and the assumption that the Company will continue as a going concern and will continue to be able to access the capital required to advance its projects and continue operations. Such risks, uncertainties and other factors include, among others, the following: general economic and business conditions, which will, among other things, impact the demand for gold and silver and other precious metals explored for by the Company; industry capacity; the ability of the Company to raise the capital required to implement its business strategy; changes in, or the unintentional failure to comply with, government regulations (especially safety and environmental laws and regulations); changes in the uses of gold, silver and other precious metals; silver and gold price volatility; increased competition; risks of the mining industry; exploration programs not being successful; inability to obtain financing; inability to obtain, or cancellation of, government permits; changes to regulations and mining law; increased reclamation obligations; title defects with respect to properties; risks associated with international operations; and foreign exchange and currency fluctuations. There can be no assurance that forward-looking information or statements in this Annual Report will prove to be accurate and actual results and future events could vary materially from those implied by such statements and information. Consequently, all of the forward-looking statements made in this Annual Report are qualified by these cautionary statements. The Company disclaims any obligation to update or revise any written forward-looking statements whether as a result of new information, future events or otherwise except as required by applicable laws.

Currency and Measurement

All currency amounts in this Annual Report on Form 20-F are stated in **Canadian dollars** unless otherwise indicated. On July 29, 2012, the Bank of Canada noon rate for Canadian Dollars was U.S. \$1.00: Cdn\$1.006 (see Item 4 for further historical exchange rate information). Conversion of metric units into imperial equivalents is as follows:

Metric Units	Multiply by	Imperial Units
hectares	2.471	= acres
metres	3.281	= feet
kilometres (“km”)	0.621	= miles (5,280 feet)
grams	0.032	= ounces (troy)
tonnes	1.102	= tons (short) (2,000 lbs)
grams/tonne	0.029	= ounces (troy)/ton

The following table sets out the U.S. dollar exchange rates, based on the noon rate at the Bank of Canada for the calendar years 2006 through 2011 and 2012 to date.

	To March 31,					
	2012	2011	2010	2009	2008	2007
End of Period	\$ 0.9975	\$ 1.0009	\$ 1.0054	\$ 0.9555	\$ 0.8166	\$ 1.0120
Average for Period	0.9939	1.0077	0.9710	0.8757	0.9381	0.9304
High for Period	1.0006	1.0583	1.0054	0.9716	1.0289	1.0905
Low for Period	0.9859	0.9430	0.9278	0.7692	0.7711	0.8437

	High and low exchange rates for the past six months					
	July 2012	June 2012	May 2012	April 2012	March 2012	Feb 2012
High	1.0226	1.0397	1.0329	1.0042	1.0006	1.0004
Low	1.0060	1.0181	0.9858	0.9810	0.9859	0.9991

CAUTIONARY NOTE TO U.S. INVESTORS

This Annual Report may use the terms “measured resources” and “indicated resources.” We advise U.S. investors that while such terms are recognized and permitted under Canadian regulations, the U.S. Securities and Exchange Commission does not recognize them. U.S. investors are cautioned not to assume that any part or all of the mineral deposits in these categories will ever be converted into reserves.

This Annual Report may use the terms “inferred resources.” We advise U.S. investors that while such term is recognized and permitted under Canadian regulations, the U.S. Securities and Exchange Commission does not recognize it. “Inferred resources” have a great amount of uncertainty as to their existence, as well as to their economic and legal feasibility. It cannot be assumed that all or any part of an inferred mineral resource will ever be upgraded to a higher category. Under Canadian rules, estimates of inferred mineral resources may not form the basis of feasibility or other economic studies. U.S. investors are cautioned not to assume that any part or all of an inferred resource exists, or is economically or legally mineable.

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PART 1

ITEM 1. IDENTITY OF DIRECTORS, SENIOR MANAGEMENT AND ADVISERS

(a) Directors and Senior Management

This Form 20-F is being filed as an annual report under the Securities Exchange Act of 1934, as amended and as such, there is no requirement to provide any information under this item.

(b) Advisors

This Form 20-F is being filed as an annual report under the Securities Exchange Act of 1934, as amended and as such, there is no requirement to provide any information under this item.

(c) Auditor

This Form 20-F is being filed as an annual report under the Securities Exchange Act of 1934, as amended and as such, there is no requirement to provide any information under this item.

ITEM 2. OFFER STATISTICS AND EXPECTED TIMETABLE

Not applicable.

ITEM 3. KEY INFORMATION

A. Selected Financial Data

The selected financial data of Cream Minerals Ltd. (“Cream” or the “Company”) for the years ended March 31, 2012, 2011 and 2010 was derived from the Company’s consolidated financial statements audited by Morgan & Company, Chartered Accountants, as indicated in the audit report included elsewhere in this Annual Report.

The Selected Financial Data should be read in conjunction with the consolidated financial statements and other financial information included elsewhere in this Annual Report.

The Company has not declared any dividends on its common shares since incorporation and does not anticipate that it will do so in the foreseeable future. The present policy of the Company is to retain future earnings for use in its operations and the expansion of its business.

The following table sets forth selected consolidated financial information with respect to the Company for the periods indicated and is extracted from the more detailed consolidated financial statements included herein. The following constitutes selected financial data for Cream Minerals Ltd. for the last five fiscal years ended March 31, 2012, in Canadian dollars, presented in accordance International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board (“IASB”) for the years 2012 and 2011, and with Canadian Generally Accepted Accounting Principles (“Cdn GAAP”) for the years 2010, 2009, and 2008, which differs in certain respects from Generally Accepted Accounting Principles in the United States (“US GAAP”). Information based on previous Cdn GAAP and US GAAP is not comparable to information prepared in accordance with IFRS. A discussion of differences between IFRS and Cdn GAAP is contained in Note 17 to the consolidated financial statements. The following table should be read in conjunction with “Item 5: Operating and Financial Review and Prospects”, and the consolidated financial statements included in Item 17. On July 29, 2012, the noon buying rate as quoted by the Bank of Canada was 1.0060 Canadian dollars per U.S. dollar.

(Canadian Dollars in Thousands Except Per Share Amounts)

(Cdn\$)	As at March 31		
Statement of Financial Position Data	2012	2011	2010
Total assets according to financial statements (IFRS)(1)	\$ 1,415	\$ 5,633	\$ 987
Total liabilities	247	446	2,290
Share capital	32,590	32,110	24,653
Warrant reserve, share-based payment reserve, share subscriptions	7,343	6,958	3,320
Deficit (IFRS)	(38,765)	(33,882)	(29,276)

(Cdn\$)	As at March 31		
Statement of Financial Position Data	2009	2008 (as restated)(1)	
Total assets according to financial statements (Cdn GAAP)(1)	\$ 1,013	\$ 1,406	
Total liabilities	1,913	1,333	
Share capital	24,609	23,777	
Contributed surplus, accumulated comprehensive income, share subscriptions and loss and warrants	2,418	1,827	
Deficit (Cdn GAAP)	(27,928)	(25,531)	

(Cdn\$)	As at March 31		
Period End Balances (as at)	2012	2011	2010
Working capital (deficiency)	\$ 309	\$ 4,433	\$ (1,937)
Mineral property interests (IFRS)	97	484	455
Shareholders' equity (IFRS)	1,168	5,186	(1,303)
Number of outstanding shares	152,643	149,464	64,717

(Cdn\$)	As at March 31		
Period End Balances (as at)	2009	2008 (as restated)(1)	
	(Cdn GAAP)	(Cdn GAAP)	
Working capital (deficiency)	\$ (1,697)	\$ (1,244)	
Mineral property interests (Cdn GAAP), as restated	588	856	
Shareholders' equity (Cdn GAAP), as restated	(900)	73	

No cash or other dividends have been declared.

(Cdn\$)	(Canadian Dollars in Thousands Except Per Share Amounts)		
	As at March 31		
	2012	2011	2010
Statement of Operations Data			
Investment and other income	(41)	(14)	(5)
General and administrative expenses (including Share-based payments)	2,120	2,907	684
Exploration costs	2,763	1,720	379
Write-down of mineral property interests	441	13	227
Future income tax recovery	--	--	(21)
Net loss according to financial statements (IFRS)	(4,883)	(4,609)	(1,265)

(Cdn\$)	(Canadian Dollars in Thousands Except Per Share Amounts)	
	As at March 31	
	2009	2008
Statement of Operations Data		
Investment and other income	(1)	(6)
General and administrative expenses (including Share-based payments)	1,092	1,446
Exploration costs	953	2,364
Write-down of mineral property interests	418	110
Future income tax recovery	(66)	--
Net loss according to financial statements (Cdn GAAP)	(2,397)	(3,915)

(Cdn\$)	(Canadian Dollars in Thousands Except Per Share Amounts)	
	As at March 31	
	2009	2008
Statement of Operations Data		
Net loss according to financial statements (US GAAP)	(2,397)	(3,915)

Note:

- (1) Under IFRS applicable to junior mining exploration companies, mineral exploration expenditures can be deferred on prospective properties until such time as it is determined that further exploration is not warranted, at which time the property costs are written off. During the year ended March 31, 2009, the Company retrospectively changed its accounting policy for exploration expenditures to more appropriately align itself with policies adopted by other exploration companies at a similar stage in the mining industry. Prior to the year ended March 31, 2009, the Company capitalized all such costs to mineral property interests held directly or through an investment, and only wrote down capitalized costs when the property was abandoned or if the capitalized costs were not considered to be economically recoverable.

Exploration expenditures are now charged to earnings as they are incurred until the mineral property interest reaches the development stage. Significant costs related to mineral property acquisitions, including allocations for undeveloped mineral property interests, are capitalized until the viability of the mineral property interest is determined. When it has been established that a mineral deposit is commercially mineable and an economic analysis has been completed, the costs subsequently incurred to develop a mine on the property prior to the start of mining operations are capitalized.

The expensing of exploration costs as incurred is now consistent with US GAAP, whereby all exploration expenditures are expensed until an independent feasibility study has determined that the property is capable of economic commercial production.

The tables below include the quarterly results for the years ended March 31, 2012 (“fiscal 2012”) and 2011 (“fiscal 2011”).

(Cdn\$)	Year Ended March 31, 2012				
	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total
Statement of Operations Data					
Investment and other income	\$ (11,715)	\$ (5,947)	\$ (2,346)	\$ (20,910)	\$ (40,918)
General and administrative expenses	128,839	373,999	364,236	372,974	1,240,048
Share-based payments	335,475	64,778	34,660	45,316	480,229
Write-down of mineral property interests	261,974	178,838	--	--	440,812
Exploration costs	1,278,029	1,145,302	201,241	138,547	2,763,119
Net loss according to financial statements	1,992,602	1,756,970	597,791	535,927	4,883,290
Net loss from continuing operations per common share	0.01	0.01	0.01	0.00	0.03

(Cdn\$)	Year Ended March 31, 2011				
	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total
Statement of Operations Data					
Investment and other income	\$ (100)	\$ --	\$ --	\$ (13,475)	\$ (13,575)
General and administrative expenses	172,363	257,079	766,127	435,876	1,567,446
Stock-based compensation	--	--	--	1,339,990	1,339,990
Write-down of mineral property interests	--	--	--	12,806	12,806
Exploration costs	95,893	109,512	180,492	1,316,253	1,702,150
Future income tax recovery	--	--	--	--	--
Net loss according to financial statements	268,156	366,591	946,619	3,027,451	4,608,817
Net loss from continuing operations per common share	0.00	0.00	0.01	0.04	0.05

B. Capitalization and Indebtedness

Not applicable.

C. Reasons for the Offer and Use of Proceeds

Not applicable.

D. Risk Factors

The following is a brief discussion of those distinctive or special characteristics of Cream’s operations and industry which may have a material impact on Cream’s financial performance.

Readers should carefully consider the risks and uncertainties described below before deciding whether to invest in shares of the Company’s common stock.

Financial Risk Factors

Cream currently has no source of operating cash flow and has a history of operating losses. Cream currently has no revenues from operations and all of its mineral property interests are in the exploration stage. The Company will not receive revenues from operations at any time in the near future, and Cream has no prior years’ history of

earnings or cash flow. Cream has not paid dividends on its shares at any time since incorporation and does not anticipate doing so in the foreseeable future. Cream's consolidated financial statements have been prepared assuming Cream will continue on a going-concern basis. Should funding not be obtained, this assumption will change and Cream's assets may be written down to realizable values. Cream has incurred losses since inception (deficit at March 31, 2012, is \$38,765,013), which casts doubt on the ability of Cream to continue as a going concern. Cream has no revenue other than interest income. A mining project can typically require ten years or more between discovery, definition, development and construction and as a result, no production revenue is expected from any of the Company's exploration properties in the near future. All of Cream's short to medium-term operating and exploration expenses must be paid from its existing cash position or external financing. At March 31, 2012, Cream had working capital of \$308,778 compared to a working capital of \$4,433,482 at March 31, 2011. Working capital is defined as current assets less current liabilities.

Cream may be unable to obtain the funds necessary to expand exploration. Cream's operations consist, almost exclusively, of cash consuming activities given that its main mineral project, the Nuevo Milenio Silver-Gold Property, ("Nuevo Milenio" or "the Project") Nayarit State, Mexico is in the exploration stage. Cream will need to receive significant (i.e. upwards of \$10 million) new equity capital or other funding for the next two years in order to fund its current planned exploration programs, and failing that, may cease to be economically viable. To date, the only sources of funds that have been available to the Company are the sale of equity capital or the offering by the Company of an interest in its properties to be earned by another party or parties carrying out further development thereof.

The Company currently does not have sufficient financial resources to undertake all of its planned activities in fiscal 2013. This includes significant expenditures on property investigations and additional property acquisitions or staking of claims in Mexico, Canada or in other locations that may come to the attention of the Company. The Company has been successful in the past in obtaining financing through the sale of equity securities, but as an exploration stage company, it is often difficult to obtain adequate financing when required, and it is not necessarily the case that the terms of such financings will be favourable. If Cream fails to obtain additional financing on a timely basis, the Company could forfeit its mineral property interests, dilute its interests in its properties and/or reduce or terminate operations. The Company's exploration programs would have to be prioritized to fit within cash availability.

Cream is continuously reviewing strategies for private placement equity financings as well as other forms of financing that would carry the Company through the next fiscal year. If a private equity financing were to be completed, it is expected that warrants may be included in the securities offered. Any such financings will result in dilution of existing shareholders.

Volatile gold and silver prices and external market conditions can cause significant changes in the Company's share price because as the prices of precious metals increase or decrease, the economic viability of the mineral properties is affected. Cream has no history of mining or current source of revenue. The Company is exploring for silver and gold, and historically, the prices of the common shares of junior exploration companies are very volatile. This volatility may be partly attributed to the volatility of silver and gold prices, and also to the success or failure of the Company's exploration programs. Market, financial and economic factors not directly related to mining activities can also affect the Company's ability to raise equity financing.

Below are the annual average, high and low prices of gold and silver from the year 2001 to 2011, and year 2012 to date.

Gold¹

Year	Average Price per ounce (US\$)	High Price per ounce (US\$)	Low Price per ounce (US\$)
2001	271.04	293.25	255.95
2002	309.73	349.30	277.75
2003	363.38	416.25	319.90
2004	409.72	454.20	375.00
2005	444.74	536.50	411.10
2006	603.46	725.00	524.75
2007	695.39	841.10	608.40
2008	871.96	1011.25	712.50
2009	972.35	1212.50	810.00
2010	1224.53	1421.00	1058.00
2011	1,568.59	1,895.00	1,319.00
2012 – (Jan - July)	1,642.48	1,781.00	1,540.00

Silver²

Year	Average Price per ounce (US\$)	High Price per ounce (US\$)	Low Price per ounce (US\$)
2001	4.37	4.82	4.07
2002	4.60	5.10	4.24
2003	4.85	5.97	4.24
2004	6.65	8.29	5.50
2005	7.22	9.23	6.39
2006	11.57	14.94	8.83
2007	13.39	15.82	11.67
2008	15.02	20.92	8.88
2009	14.66	19.18	10.51
2010	20.16	30.70	15.14
2011	35.11	48.70	26.16
2012 (Jan-July)	30.55	37.23	26.67

Fluctuations in financial markets can negatively impact the Company's ability to fund itself.

Over the last decade there have been periods of high volatility in world financial markets. The volatility can negatively impact the company's ability to raise sufficient equity financing to sustain operations. Future financial market volatility is likely and it should not be assumed that adequate funding will be available to the Company in amounts or at times when it is required.

Risks Associated with Mineral Exploration

Cream's exploration efforts may be unsuccessful in locating viable mineral resources. Resource exploration is a speculative business, characterized by a number of significant risks, including, among other things, unprofitable efforts resulting not only from the failure to discover mineral deposits but also from finding mineral deposits, which, though present, are insufficient in quantity and/or quality to return a profit from production.

There is no certainty that the expenditures to be made by the Company on the exploration of its properties and prospects as described herein, in particular the Nuevo Milenio project, will result in discoveries of mineralized material in commercial quality and quantities.

¹ www.kitco.com Gold prices, London Fix US dollars per ounce

² www.silverinstitute.org/priceuk.php Silver prices, London Fix US dollars per ounce

Mineral Resource Estimates Are Only Estimates and May Not Reflect the Actual Deposits or the Economic Viability of Gold Extraction. Although the Company has carefully prepared its mineral resource figures, such figures are estimates only and no assurance can be given that the indicated tonnages and grade will be achieved. There is significant uncertainty in any mineral resource estimate. Estimates of inferred resources are the least certain of the resource categories and there is no assurance that such resources can or will be upgraded to another category of resource, or that further exploration will confirm or validate such estimates. Actual deposits encountered and the economic viability of, and returns from, a deposit (if mined) may differ materially from estimates disclosed by the Company or implied by estimates of mineral resources. The estimating of mineral resources is a subjective process and the accuracy of mineral resource estimates is a function of the quantity and quality of available data, the accuracy of statistical computations, and the assumptions used and judgments made in interpreting engineering and geological information. Mineral resource estimates are based on many things, including assumed commodity prices, continuity of mineralization, operating costs and exchange rates. Changes in assumptions may result in a significant reduction in the reported mineral resources and thereby have a material adverse effect on the Company's results of operations and financial condition.

Estimated mineral resources may also require downward revisions based on changes in metal prices and further exploration or development activity. This could materially and adversely affect estimates of the tonnage or grade of mineralization, estimated recovery rates or other important factors that influence mineral resource and reserve of estimates. Any reduction in estimated mineral reserves or estimated resources as a result could require material write downs in investment in the affected mining property, which could have a material and adverse effect on the Company's results of operations and financial condition.

The Company has not established the presence of any proven and probable reserves at any of its mineral properties. There can be no assurance that subsequent testing or future studies will establish proven and probable reserves on the Company's properties. The failure to establish proven and probable reserves could severely restrict the Company's ability to successfully implement its strategies for long-term growth.

There is Uncertainty Relating to Mineral Resources. Mineral resources that are not mineral reserves do not have demonstrated economic viability. Due to the uncertainty, which may attach to inferred mineral resources, there is no assurance that inferred mineral resources will be upgraded to indicated and measured mineral resources as a result of continued exploration. If mineral resources are not upgraded to proven and probable mineral reserves, it could materially and adversely affect and/or restrict the Company's ability to successfully implement its strategies for long-term growth.

Cream's projects have uncertain project realization values. Cream changed its accounting policy with respect to the deferral (capitalization) of exploration costs in fiscal 2009. The Company continues to defer (capitalize) acquisition costs incurred in connection with its projects on its balance sheet. Cream believes the acquisition costs (of approximately \$0.1 million at March 31, 2012) are recoverable, notwithstanding the mineralized materials contained at the projects are not currently economically viable or classified as ore. There can be no assurance that Cream could dispose of the projects for their financial statement carrying values, and in such circumstances a diminution in the book value of shareholders' equity would be the result.

Cream may not be able to market minerals if any are acquired or discovered by the Company due to factors beyond the control of the Company. The marketability of minerals that may in future be acquired or discovered by the Company may be affected by numerous factors which are beyond the control of the Company and which cannot be accurately predicted, such as market fluctuations, the proximity and capacity of milling facilities, mineral markets and processing equipment, and such other factors as government regulation, including regulation relating to royalties, allowable production, importing and exporting of minerals and environmental protection, the combination of which factors may result in the Company not receiving an adequate return on investment capital.

Environmental and Regulatory Risk Factors

Compliance with environmental regulations could affect future profitability and timeliness of operations. The current and anticipated future operations of the Company require permits from various federal, territorial and local governmental authorities. Companies engaged in the exploration and development of mines and related facilities must comply with applicable laws, regulations and permits.

The Company's exploration activities are subject to various laws governing land use, the protection of the environment, prospecting, development, commodity prices, exports, taxes, labour standards, occupational safety and health, waste disposal, toxic substances, mine safety and other matters. Cream believes it is in substantial compliance with all material laws and regulations which currently apply to its activities. The Company may be unable to obtain all permits required for exploration and development, and the costs of obtaining these permits may not be commercially reasonable. Existing laws and regulations may be modified, which could have an adverse effect on any exploration project that the Company might undertake.

Failure to comply with environmental and reclamation rules could result in penalties. Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment or remedial actions. The Company and its employees have been involved in the exploration of mineral properties for many years. Currently, the operations of the Company have been limited to exploration, and no mining activity has yet been undertaken. The mining industry is heavily regulated in North America, where the Company has its operations, so that permitting is required before any work is undertaken where there is any form of land disturbance. Exploration activity undertaken in Mexico is subject to the laws and regulations established and administered by the Federal government. To date, land disturbance has been minimal and all required reclamation has been completed.

Other Risk Factors

Cream is dependent on its ability to recruit and retain key personnel. The success of the activities of Cream is dependent to a significant extent on the efforts and abilities of its management. Investors must be willing to rely to a significant extent on their discretion and judgment. Cream does not maintain key employee insurance for any of its employees. Cream has relied on and will continue to rely on consultants and others for exploration, development and technical expertise. The ability of the Company to retain employees and its ability to continue to pay for services are dependent upon the ability of the Company to obtain adequate financing to continue operating as a going concern.

Cream's title to mineral property interests may be challenged. Although Cream has done a review of titles to its mineral interests, it has not obtained title insurance with respect to its properties and there is no guarantee of title. The Company has obtained a land title review and legal opinion by a Mexican law firm which affirmed Cream's title to Nuevo Milenio. However, the mineral properties may be subject to prior unregistered agreements or transfers or native land claims, and title may be affected by undetected defects. Cream's Canadian mineral property interests consist of mineral claims, which have not been surveyed, and therefore the precise area and location of such claims or rights may be in doubt. As there are unresolved native land claim issues in British Columbia, the Company's properties and prospects in this jurisdiction may be affected in the future. The Company's mineral properties in British Columbia are early stage exploration, and have no known mineral resources or reserves.

Cream's directors and officers serve as directors and officers of other publicly traded junior resource companies. Some of the directors and officers of Cream serve as officers and/or directors of other resource exploration companies and are engaged and will continue to be engaged in the search for additional resource opportunities on their own behalf and on behalf of other companies, and situations may arise where these directors and officers will be in direct competition with Cream. Such potential conflicts, if any, will be dealt with in accordance with the relevant provisions of British Columbia corporate and common law. In order to avoid the possible conflict of interest which may arise between the directors' duties to Cream and their duties to the other companies on whose boards they serve, the directors and officers of Cream expect that participation in exploration prospects offered to the directors will be allocated among or between the various companies that they serve on the basis of prudent business judgement and the relative financial abilities and needs of the companies.

Cream may not be able to insure certain risks which could negatively impact the Company's operating results. In the course of exploration, development and production of mineral properties, certain risks, and in particular unanticipated geological and operating conditions as well as fires, explosions, flooding, earthquakes, power outages, labour disruptions, and the inability to obtain suitable or adequate machinery, equipment or labour may occur. It is not always possible to fully insure against such risks and the Company may decide not to take out insurance against such risks as a result of high premiums or other reasons. Should such liabilities arise, they could reduce or eliminate any future profitability and result in increasing costs and a decline in the value of the securities of the Company.

U.S. investors may not be able to enforce their civil liabilities against the Company or its directors, controlling persons and officers. It may be difficult for U.S. investors to bring and enforce suits against the Company. The Company is a corporation incorporated in British Columbia under the Business Corporations Act (British Columbia) and, consequently, there is a risk that Canadian courts may not enforce judgements of U.S. courts or enforce, in an original action, liabilities directly predicated upon the U.S. federal securities laws. A majority of the Company's directors and officers are residents of Canada and all of the Company's assets are located outside of the United States. Consequently, it may be difficult for United States investors to affect service of process upon those directors or officers who are not residents of the United States, or to realize in the United States upon judgements of United States courts predicated upon civil liabilities under United States securities laws. It is unlikely that an original action could be brought successfully in Canada against any of such persons or the Company predicated solely upon such civil liabilities under U.S. securities laws.

Cream has been operating in Mexico, which has different risks than those of British Columbia, or Manitoba, Canada. Cream's activities in Mexico may be subject not only to risks common to operations in the mining industry, but also to the political and economic uncertainties of operating in foreign jurisdictions, namely Mexico. This may result in misinterpretation of laws, unilateral modification of mining or exploration rights, operating restrictions, increased taxes or environmental regulation, any or all of which could have an adverse impact upon Cream. Cream's operations may also be affected to varying degrees by political and economic instability, terrorism, crime, extreme fluctuations in currency exchange rates and inflation. Cream's operations and exploration activities in Mexico are subject to Mexican federal and state laws and regulations governing protection of the environment. These laws are evolving and, as a general matter, are becoming more restrictive.

Mineral exploration and mining activities may be affected in varying degrees by political stability and government regulations relating to the mining industry and foreign investors. Any changes in regulations or shifts in political conditions are beyond the control of the Company and may adversely affect its business. Operations may be affected in varying degrees by government regulations, policies or directives with respect to restrictions on production, price controls, export controls, income taxes, expropriation of property, and repatriation of income, royalties, environmental legislation and mine safety.

Risks Relating to an Investment in the Securities of the Company

Cream could be deemed a Passive Foreign Investment Company which could have negative consequences for U.S. Holders. Potential investors who are U.S. Holders (defined below) should be aware that Cream expects to be a passive foreign investment company ("PFIC") for the current fiscal year, may have been a PFIC in prior fiscal years and may continue to be a PFIC in subsequent years. If Cream were to be treated as a PFIC, U.S. Holders of the Cream common shares would be subject to adverse U.S. federal income tax consequences, including a substantially increased U.S. income tax liability and an interest charge upon the sale or disposition of the Cream common shares and upon the receipt of distributions on the Cream common shares to the extent such distributions are treated as "excess distributions" under the U.S. federal income tax rules relating to PFICs. U.S. Holders could potentially mitigate such consequences by making certain elections with respect to the Cream common shares. U.S. Holders are urged to consult their tax advisors regarding Cream's PFIC classification, the consequences to them if Cream is a PFIC, and the availability and the consequences of making certain elections to mitigate such consequences. (See Item 10 Taxation -United States Tax Consequences).

Cream's stock price may limit its ability to raise additional capital by issuing common shares. The low price of Cream's common shares also limits Cream's ability to raise additional capital by issuing additional shares. There are several reasons for this effect. First, the internal policies of certain institutional investors prohibit the purchase of low-priced stocks. Second, many brokerage houses do not permit low-priced stocks to be used as collateral for margin accounts or to be purchased on margin. Third, some brokerage house policies and practices tend to discourage individual brokers from dealing in low-priced stocks. Finally, broker's commissions on low-priced stocks usually represent a higher percentage of the stock price than commissions on higher priced stocks. As a result, Cream's shareholders pay transaction costs that are a higher percentage of their total share value than if Cream's share price were substantially higher.

The liquidity of Cream's shares in the United States markets may be limited or more difficult to effectuate because Cream is a "Penny Stock" issuer. Cream's stock is subject to U.S. "Penny Stock" rules which make the stock more difficult for U.S. shareholders to trade on the open market. The SEC has adopted rules that regulate broker-dealer practices in connection with transactions in "penny" stocks. Penny stocks are equity securities with a price of less than US\$5.00 per share, other than securities registered on certain national securities exchanges or

quoted on the NASDAQ system provided that current prices and volume information with respect to transactions in such securities is provided by the exchange or system.

The Penny Stock Rules require a broker-dealer, prior to effecting a transaction in a penny stock not otherwise exempt from such rules, to deliver a standardized risk disclosure document prepared by the SEC that provides information about penny stocks and the nature and level of risks in the penny stock market.

In addition, the Penny Stock Rules require that prior to a transaction in a penny stock not otherwise exempt from such rules the broker-dealer must make a special written determination that the penny stock is a suitable investment for the purchaser and receive the purchaser's written acknowledgment of the receipt of a risk disclosure statement, a written agreement to transactions involving penny stocks, and a signed and dated copy of a written suitability statement. At the present market prices, Cream's common shares will (and in the foreseeable future are expected to continue to) fall within the definition of a penny stock. Accordingly, United States broker-dealers trading in Cream's shares will be subject to the Penny Stock Rules. Rather than complying with those rules, some broker-dealers may refuse to attempt to sell penny stocks. As a result, shareholders and their broker-dealers in the United States may find it more difficult to sell their shares of Cream, if a market for the shares should develop in the United States.

The market for the Company's stock has been subject to volume and price volatility which could negatively affect a shareholder's ability to buy or sell the Company's shares. The market for the common shares of the Company may be highly volatile for reasons both related to the performance of the Company or events pertaining to the industry (e.g. mineral price fluctuation/high production costs/accidents) as well as factors unrelated to the Company or its industry.

Market demand for products incorporating minerals in their manufacture fluctuates from one business cycle to the next, resulting in a change of demand for the mineral and an attendant change in the price for the mineral. The Company's common shares can be expected to be subject to volatility in both price and volume arising from market expectations, announcements and press releases regarding the Company's business, and changes in estimates and evaluations by securities analysts or other events or factors. In the last decade, securities markets in the United States and Canada and internationally have experienced periods of high price and volume volatility, and the market prices of securities of many companies, particularly small-capitalization companies such as the Company, have experienced wide fluctuations that have not necessarily been related to the operations, performances, underlying asset values, or prospects of such companies. For these reasons, the Company's common shares can also be expected to be subject to volatility resulting from purely market forces over which the Company will have no control. Further, despite the existence of a market for trading the Company's common shares in Canada, shareholders of the Company may be unable to sell significant quantities of common shares in the public trading markets without a significant reduction in the price of the stock. The trading price of Cream's shares have ranged between \$0.05 and \$1.38 in the last five calendar years.

Significant potential equity dilution. A summary of Cream's diluted share capital at July 29, 2012 is as follows:

Number of Warrants	Exercise Price	Expiry Date
40,900,000	\$0.24	December 21, 2012
3,750,000	\$0.16	December 21, 2012
44,650,000		

Cream had stock options outstanding (11,386,500 at March 31, 2012 and 9,985,000 at July 29, 2012), which are exercisable at prices ranging from \$0.12 to \$0.50 per share which are, respectively, below and above the current market price for the Company's shares. In the money options could be exercised prior to expiry while the higher priced options may not be exercised before expiry. In either case, the outstanding options could act as an upside damper on the price of Cream's shares. As a consequence of the passage of time since the date of their original sale and issuance, there are no shares of Cream remaining subject to hold period restrictions in Canada or the United States as of March 31, 2012. At March 31, 2012, there were 50,408,500 warrants exercisable at an average price of \$0.22 and at July 29, 2012, 44,650,000 exercisable at an average price of \$0.23. The resale of outstanding shares from the exercise of dilutive securities would have a depressing effect on the market for Cream's shares. Dilutive securities based on the trading range of Cream's common shares at March 31, 2011, including the warrants and the stock options noted above, collectively represent approximately 40% of Cream's issued shares as at March 31, 2012.

ITEM 4. INFORMATION ON THE COMPANY

A. History and Development of the Company

The Company's executive office is located at:
Suite 1400 – 570 Granville Street, Vancouver, British Columbia, Canada, V6C 3P1
Telephone: (604) 687-4622
Facsimile: (604) 687-4212
Email: info@creamminerals.com
Website: www.creamminerals.com

The contact person in Vancouver, British Columbia, is Michael O'Connor, President, CEO, and Director.

The mailing address of the Company is the Company's executive office at the address noted above. Cream operates directly and also through one wholly-owned subsidiary in Mexico, Cream Minerals de Mexico, S.A. de C.V. ("Cream de Mexico"). References to "Cream" or to "the Company" include Cream de Mexico except where otherwise indicated.

The Company's fiscal year end is March 31.

The Company's common shares are listed on the TSX Venture Exchange under the symbol "CMA." Cream is also quoted on the Over the Counter Bulletin Board in the United States under the symbol CRMXF, and quoted on the Frankfurt market under the symbol "DFL".

The Company was incorporated under the laws of the Province of British Columbia, Canada as Cream Silver Mines N.P.L. on October 12, 1966, with an authorized capital of 3,000,000 shares, each having a par value of \$0.50. By Special Resolution passed on July 12, 1974, Cream cancelled its Memorandum and Articles and substituted a new Memorandum and Articles therefore providing for the limited liability of members and the increase of the authorized capital to 10,000,000 shares with a par value of \$0.50 each. By Special Resolution passed September 24, 1987, Cream again altered its Memorandum, changing its name to Cream Silver Mines Ltd. in its English form and "Mines Cream Silver Ltee." in its French form and amending its authorized share capital to 30,000,000 common shares without par value. By Special Resolution passed September 15, 1994, Cream altered its Memorandum to consolidate its authorized and issued share capital of 30,000,000 common shares on a five-for-one basis into 6,000,000 common shares authorized, and issued common shares were consolidated from 18,707,937 common shares on a five-for-one basis into 3,741,587 common shares; to further increase its authorized capital to 50,000,000 common shares without par value (the "Common Shares"); and to change its name to Cream Minerals Ltd. Cream has been listed on the TSX Venture Exchange (the "TSX Venture"), formerly the Vancouver Stock Exchange ("VSE"), since June 3, 1970. The Company subsequently altered its Memorandum to increase its authorized capital to 500,000,000 common shares.

At Cream's request, the VSE placed the Company on inactive status on August 12, 1994. Cream had requested inactive status in order to reorganize its affairs after the government of the Province of British Columbia placed Cream's Vancouver Island mineral claims adjoining those of Westmin Resources Ltd. in moratorium, and refused to grant Cream a permit to explore these claims. The claims, in Strathcona Park on Vancouver Island, were placed in moratorium in connection with the Strathcona Park area being declared a provincial park in 1972. These actions by the provincial government left Cream with no viable project at the time and with little working capital. The claims currently remain in moratorium. Throughout the early to mid-1970s, Cream initiated several court cases seeking compensation for these claims. The matter was ultimately decided by a decision of the British Columbia Court of Appeal denying Cream's right to compensation. Leave to appeal this decision to the Supreme Court of Canada was refused and Cream was then advised that it was without further legal recourse with respect to its Vancouver Island claims. Recently, the British Columbia Court of Appeal specifically overruled its previous decision in the Cream case. The Company reviewed its legal position in the light of this development, but has been advised that it remains bound by the previous decision.

Following Cream's entry into inactive status, Cream embarked on a reorganization program that included a consolidation of its issued and outstanding share capital and subsequent increase of authorized capital (as described above); a restructuring of the Board of Directors and appointment of new officers; a review of its financial affairs which included completing two private placements for the issuance of a total of 680,000 units, each consisting of one common share and one warrant, at a price of \$0.35 per unit, which raised a total of \$231,000; and a review of its property holdings. During Cream's inactive period, certain of its claim groups in British Columbia were allowed to

lapse, and others were sold off. Following completion of this reorganization, Cream resumed active status on April 11, 1996.

Effective March 29, 2004, the *Company Act* (British Columbia) was replaced by the *Business Corporations Act* (British Columbia). The *Business Corporations Act* (British Columbia) does not require a company's Notice of Articles to contain a numerical limit on the authorized capital with respect to each class of shares. Effective September 21, 2004, the Company altered the authorized capital of the Company from 500,000,000 shares without par value to an unlimited number of shares without par value. By Special Resolution effective June 23, 2011, shareholders approved the adoption of new articles for Cream. See Item 10B – Memorandum and Articles of Association.

Since its incorporation in 1966, the Company has been in the business of acquiring and exploring mineral properties. For most of the past three completed years, and prior thereto, the Company has been principally attempting to locate deposits of precious metals in Mexico and the Provinces of British Columbia and Manitoba, Canada. In 2005 the Company acquired a property in Sierra Leone.

Mexico

The Company's primary exploration project is Nuevo Milenio, located south of Tepic in the municipality of Xalisco, State of Nayarit, Mexico, having denounced (staked) the property in 2000 and receiving title to the property in 2001. Mineral licenses in Mexico have a term of 50 years following which an application can be made to extend the term. Carrying costs are comprised of annual taxes. Work requirements are nominal and cash payment can be made in lieu.

In 2001, Cream entered into an exploration program on the Property. Cream explored the Property until the year ended March 31, 2005, at which time it wrote it down by \$1,523,030 to a nominal carrying value of \$1. No acquisition costs are associated with the Property, as it was located, or denounced (staked). In 2006, the Company re-commenced exploration on Nuevo Milenio. Exploration has been conducted since that time.

On July 24, 2009, the Company entered into an option agreement with Roca Mines Inc. ("Roca") that would have allowed Roca to earn up to a 70% interest in the Project. In order to acquire a 50% legal and beneficial interest in the Project, Roca was to spend a cumulative US\$12,000,000 for exploration work on the property by July 24, 2013.

On July 22, 2010, Roca notified the Company that it was not proceeding with the option agreement and the agreement was terminated.

On December 7, 2010, Cream agreed to a bought deal financing of \$5 million with the provision of an over-allotment of \$1 million. The terms of the bought deal were \$0.16 per unit with a full warrant exercisable at \$0.24 for two years from the date of closing.

The Company subsequently closed the bought deal financing on December 21, 2010, and received gross proceeds of \$6 million.

On April 30, 2010, the Company signed a letter of intent ("LOI"), pursuant to which it acquired an option from an arm's length party on the Las Habas Project, comprised of 336 hectares ("Ha") located in the State of Sinaloa, Mexico. The LOI was for a period of three months. The proposed option agreement outlined in the LOI calls for total payments of US\$1 million over a 5-year period and a 2% NSR royalty, payable out of production. On June 1, 2010, Cream filed an application to denounce approximately 700 hectares adjoining the Las Habas property. The Company let the LOI lapse and has not pursued title to the adjacent 700 Ha's.

North America

The Company holds an option to acquire a 100% interest in the Goldsmith property located near Kaslo, British Columbia. The Goldsmith option agreement calls for the issuance of 200,000 common shares (issued) and cash payments totaling \$110,000 (paid) over six years. The final payment of \$20,000 was extended over a period of four months, at \$5,000 per month from June to September 26, 2010. All the payments of \$5,000 have been made pursuant to the amended agreement as of the date of this Annual Report. The Company wrote down the carrying value of Goldsmith Property to \$Nil in fiscal 2012.

The Company, ValGold Resources Ltd. and Sultan Minerals Inc. (the "Companies") each hold a one third interest in two staked claims, namely the Trout and Trout 1 claims, located approximately 130 km east of Gillam, Manitoba (the "Trout Claim Group") and encompassing an area of 256 hectares. Under the terms of the Trout Claim Group agreement, the Companies agreed to make a total cash payment of \$110,000 and issue 200,001 common shares (66,667 shares in the capital of each of the three companies), all of which were issued, to the optionor over a 36-month period from July 22, 2004. Upon earning its 75.0% interest, the Companies and the optionor would enter into a 75:25 joint venture for the further exploration and development of the Trout Claim Group. The joint venture agreement has not yet been completed. The Companies have reduced the Stephens Lake claims held to the Trout Claim Group, and are reviewing their options with respect to the property. The carrying value of the property has been written down to \$Nil.

During fiscal 2007, and in fiscal 2008, the Company entered into option agreements to acquire up to 100% interest in two mineral property interests in the Province of Manitoba, the Wine claims and the Grand Nickel Project. In March 2006, the Company entered into an option agreement, subsequently amended, to acquire 100% interest in the Wine Claim, MB 3964 and Wine 1 Claim, all located approximately 60 km southeast of Flin Flon, Manitoba. The Company earned its interest by making payments totaling \$105,000 (paid) and issuing 200,000 common shares over a 48-month period (issued). The Company must also incur exploration expenditures on the property of \$5,000 annually for four years which have been made. On completion of these obligations, the property will be subject only to a 2.0% NSR royalty payable to the optionor from the production of gold, silver and all base metals and other minerals. The Company has the right to reduce the NSR royalty to 1.0% by the payment of \$1,000,000 to the optionor at any time up to and including the commencement of commercial production.

In October 2007, the Company entered into an agreement to acquire 100% interest in the Grand Nickel Project, being the Cedar 1, MB7355 and MEL 324B claims, located in the Thompson Nickel Belt, approximately 40 km north-west of the town of Grand Rapids, Manitoba. After a short exploration program, the Company determined that the property did not meet its expectations, returned the property to the optionor and recorded a write-down of acquisition costs of \$34,250 in fiscal 2009. The grand Nickel project was written off in the year ended March 31, 2009.

In November 2009, the Company entered into an option agreement to acquire the Blueberry property from W.S. Ferreira Ltd. and the Company staked additional claims which have been appended to the option agreement. The property is located approximately 20 km north-east of Flin Flon, Manitoba. The option agreement provides for a cash payment of \$100,000 (of which \$40,000 has been paid) and the issuance of 400,000 shares (of which 160,000 have been issued) over five years with a down payment of \$10,000 (paid). The cash payments are to be made as follows: \$10,000 on regulatory approval (paid), \$10,000 on the first anniversary (paid), and \$20,000 on each of the second (paid) to the fifth anniversary dates. The shares are to be issued as follows: 40,000 on regulatory approval (completed) and 40,000 on the first anniversary of regulatory approval (completed), and 80,000 common shares on each of the second (completed) to the fifth anniversary dates. During the year ended March 31, 2012, the \$20,000 cash payment was made and 80,000 shares were issued. One payment of \$20,000.00 and the issuance of 80,000 shares remains.

The Company must incur cumulative exploration expenditures totaling \$30,000 following the date of regulatory approval, commencing with expenditures of \$5,000 prior to the first anniversary date and a minimum of \$5,000 annually by each anniversary date on or prior to the fifth anniversary. The total incurred to March 31, 2012 is \$152,476. On completion of these obligations, the property will be subject only to a 2.0% NSR royalty payable to the optionor from the production of gold, silver and all base metals and other minerals. The Company has the right to reduce the NSR royalty to 1.0% by the payment of \$1,000,000 to the optionor at any time up to and including the commencement of commercial production.

B. Business Overview

General

(i) *Nature of Company:*

Cream has historically been a mineral exploration company. The Company is currently focused on exploration of the Nuevo Milenio Silver-Gold Property in Mexico. Cream also has a portfolio of early-stage mineral exploration projects in British Columbia and Manitoba that may contain silver, gold, and other mineralization. These properties have been explored by a number of companies over the years, with further work being completed by Cream since their acquisition.

(i) *Principal Markets:* Not Applicable.

(ii) *Seasonality:* Not Applicable.

(iii) *Raw Materials:* Not Applicable.

(iv) *Marketing Channels:* Not Applicable.

(v) *Dependence:* Not Applicable.

(vi) *Competitive Position:* Not Applicable.

(vii) *Material Effect of Government Regulation:* The Company's exploration activities and its potential mining and processing operations are subject to various laws governing land use, the protection of the environment, prospecting, development, production, contractor availability, commodity prices, exports, taxes, labour standards, occupational safety and health, waste disposal, toxic substances, safety and other matters. The Company believes it is in substantial compliance with all material laws and regulations which currently apply to its activities. There is no assurance that the Company will be able to obtain all permits required for exploration, any future development and construction of mining facilities and conduct of mining operations on reasonable terms or that new legislation or modifications to existing legislation, would not have an adverse effect on any exploration or mining project which the Company might undertake.

Nuevo Milenio Project, Mexico

Cream began exploring the Nuevo Milenio Silver-Gold Project in 2001. Exploration work has continued to date. Two limited drill programs were completed, one in 2003 and the second in 2006/2007. Cream began a significant diamond drill program on February 6, 2011, which ended in September 2011.

The Company is in the process of obtaining an independent NI 43-101 Technical Report encompassing all historical data and the data acquired during the 2011 drill program.

The Company has no plans to complete further exploration work on its properties located in British Columbia in the immediate future.

C. Organizational Structure

The Company has one direct subsidiary, Cream Minerals de Mexico, S.A. de C.V., incorporated in Mexico. Unless the context otherwise requires, references herein to the "Company" or "Cream" includes the subsidiary of the Company.

D. Property, Plant and Equipment

The Company has mineral exploration interests in five properties: the Nuevo Milenio Project (Mexico), the Goldsmith (British Columbia), the Kaslo (British Columbia) property, the Wine (Manitoba) property and the Blueberry (Manitoba) property, as well as a joint interest in the Trout Claims. The Company's primary property is the Nuevo Milenio Project.

The Company's mineral property interests in Canada and Mexico are in good standing and all payments on the properties are up to date.

None of the Company's projects have known reserves, and its proposed programs are exploratory in nature. The Nuevo Milenio Project has an Inferred Mineral Resource estimated in accordance with Canadian National Instrument 43-101 *Standards of Disclosure for Mineral Projects* ("NI 43-101").

Nuevo Milenio Project

The Nuevo Milenio Property, Nayarit State, Mexico, is hosted by a sequence of intermediate to felsic lithic tuff's, ash tuffs and ash flow and breccias within a large collapsed caldera setting. The Property encompasses 2,560 Ha's and is 100% owned by the Company.

History of the Property

In 2000, Cream entered into an exploration program on Nuevo Milenio. Work on the property began in 2001 and until 2004 was focused on the Eastern rim of the caldera and associated areas. In the year ended March 31, 2005, the Company determined that it was not going to conduct further exploration on the property for the foreseeable future and as a result the property exploration costs were written down to a nominal carrying value of \$1. Nuevo Milenio originally consisted of 4 lots encompassing 6927.8482 Ha's. and was denounced in February 2000 by Arnoldo Carrera Gamboa on behalf of Cream Minerals de Mexico. Titles to the lots were received in February 2001 with the agreements to transfer the lots to Cream Minerals de Mexico signed in 2003 and registered with the Department of Mines with Cream Minerals de Mexico as beneficiary. In June 2005, an application to reduce Nuevo Milenio Fraccion 1 and to drop CMM II was filed with the Department of Mines. The remaining lot comprises the current 2,560 Ha Nuevo Milenio property.

Accessibility, Climate, Local Resources, Infrastructure and Physiography

Nuevo Milenio is located south east of the city of Tepic in the State of Nayarit, Mexico. Nuevo Milenio is 27 kms by road (24 kms by highway, 3 kms by dirt road) from Tepic, the capital of Nayarit State, Mexico. Tepic has a population of approximately 300,000 people, and is an important commercial centre. It is 150 km's northeast of Puerto Vallarta. A railway, airport, power lines and water are within reasonable distance of the property providing cost-effective access to infrastructure.

Geological Setting

Regionally, Nuevo Milenio is located within an early Miocene caldera field located at the southern end of the Sierra Madre Occidental Volcanics. The area is traversed by the Tepic Zacoalco rift zone, a boundary zone with the Jalisco block. The Tepic area is overlain by the young volcanics of the Trans Mexican Volcanic Belt. The confluence of two historically active volcanic zones and proximity to large regional faults provide a geological setting which has the potential to host significant mineralization.

Nuevo Milenio is a low sulphidation, epithermal precious metal prospect containing silver-gold mineralization in quartz vein and quartz stock work zones. There is minimal base metal content. The Project is hosted by a sequence of intermediate to felsic volcanic flows, tuffs and breccias within a large collapsed caldera setting. The collapsed caldera is set in an area of Miocene volcanics which further enhances the Project's potential. Younger rhyolite dikes and basalt vents define volcanic centres along the caldera rim. To date, three principal north west-trending zones have been identified on the property, Dos Hornos-Veta Tomas, Once Bocas North-Once Bocas South and Chacuaco-Cafetal.

Exploration

Historic Drilling

Drilling was first commenced in the spring of 2002. The program was comprised of five drill holes totaling 726 metres. A follow-up drill program was initiated in November 2003 and was completed in April 2004. The program consisted of 19 drill holes totaling 3,544 metres.

A report prepared in late 2005 recommended further work, and an additional \$59,655 in exploration costs were written off in the first half of the year ended March 31, 2006,

Drilling re-commenced on the Dos Hornos zone in late 2006. In January 2007, the focus of the drill program was shifted to in-fill drilling followed by drill testing the segment between Section 5 (Trench 3) to Section 12 (Mina Santa Gertrudis). The Company completed 31 diamond drill holes along the Dos Hornos 1 Zone for a total of approximately 5,200 metres. Diamond drilling established that additional "Inferred Mineral Resources" are located within Dos Hornos 1, Dos Hornos 2 and Veta Tomas, a newly defined and higher grade vein.

In May of 2009, Cream outlined a revised, staged underground development plan. The intention was to stage underground diamond drilling and begin upgrading the inferred mineral resources to the measured and indicated categories as well as to add additional inferred mineral resources.

In support of the revised underground development plan, Cream initiated the required environmental studies, including biological, hydrological and land use, as well as a survey of the proposed area for the portal. The Company did not pursue completion of the environmental permits and negotiations to secure surface rights or commence work on a planned cross-cut due to the signing of an option agreement with Roca Mines Inc. ("Roca") effective July 24, 2009.

In May 2009, Cream announced that a channel sample taken just inside a recently discovered historic Spanish working on Cerro Dos Pinos, which is located approximately 500 metres southeast of the high-grade silver-gold Veta Tomas vein, yielded assays of 0.95 g/t Au and 452 g/t Ag respectively.

Cerro Dos Pinos lies approximately 500 metres southeast of drill hole DDH 07 – 23 which was drilled on the Veta Tomas Structure. The Company believes that the new discovery is a probable fault segment of the high-grade silver-gold Veta Tomas Structure that could extend the known strike length of the Veta Tomas - Dos Hornos Zones from 1,200 metres to approximately 1,800 metres. The historic Spanish adit, 1.60 metres wide and caved, was driven on a quartz vein structure outcropping within a window of younger devitrified rhyolite flows.

On July 24, 2009, the Company entered into an option agreement with Roca that would have allowed Roca to earn up to a 70% interest in the Nuevo Milenio Project. On July 22, 2010, Roca notified the Company that it would not be proceeding with the option agreement, and the agreement was terminated.

Roca's drill program consisted of approximately 1,000 metres of diamond drilling on Dos Hornos 1, Dos Hornos 2, Veta Tomas and Once Bocas. Five holes were drilled with the intention of twinning existing Cream holes. Drill results largely confirmed the results obtained by Cream.

2011 Exploration and Drilling Program

Cream began a diamond drill program on February 6, 2011. The 2011 drill program called for 10,000 metres of drilling with an option for a second 10,000 metres of drilling. The first 10,000 metres of drilling was completed in mid-May. The Company elected to exercise its option for the second 10,000 metres of drilling. The Company completed the drill program at Nuevo Milenio in late September 2011 ahead of schedule and on budget.

The objective of the drill program was three fold:

1. At Dos Hornos 1, Dos Hornos 2 and Veta Tomas conduct in-fill drilling to upgrade the reported Inferred Mineral Resources.
2. At Once Bocas North conduct drilling to define the known 100 metre wide quartz vein - quartz stock work zone and to confirm its possible open pit potential, including in-fill drilling to delineate the potential of the higher grade vein structures.
3. Step-out drilling to test known extensions of Once Bocas North, Once Bocas South, the Chacuaco open pit potential and high grade quartz vein potential, and the Cafetal South vein structures.

Sampling and Analysis

As of September 19, 2011, 89 drill holes were completed for a total of 20,292 metres of drilling at Nuevo Milenio and completed the 2011 diamond drill program a. Of the 20,292 metres drilled 13,500 were of in-fill drilling and 6,792 were of exploration drilling.

The following is an overview of the drill results by zone:

Dos Hornos 1

Drill results for the Dos Hornos 1 structure demonstrated a semi-continuous structure along strike and down dip in sections 0 through 9. In addition, repetition of the structure through faulting (stacked sections) was observed in sections drilled off. Drill holes cut several semi-blind or blind veins identifying what might be a transitional zone. This area is now referred to as the Northern Transitional Zone. Additional drilling is required to determine the nature and extent of this newly identified zone. The veins cut returned lower grade silver-gold values. The identification of the Northern Transitional Zone structure identifies a future exploration target at Nuevo Milenio.

Dos Hornos 2

Drilling on Dos Hornos 2 demonstrated semi continuity of the structure with continuity being evident by section 19. As with Dos Hornos 1 In addition, repetition of the structure through faulting (stacked sections) was observed in sections drilled off. Access difficulties due to challenging terrain impacted the results as additional data required to permit upgrading the inferred resources to indicated resources in sections of Dos Hornos 2 could not be obtained. The 2003 and 2011 drill programs intersected unknown quartz vein structures. The intersected quartz veins are blind veins or semi blind veins outlining what might be a transitional zone. This area is now referred to as the the Southern Transitional Zone. The vein structures trend parallel to the Dos Hornos and Once Bocas structures. Additional drilling is required to determine the nature of this newly identified zone. The Southern Transitional Zone identifies future exploration target at Nuevo Milenio.

Veta Tomas

Drilling on the Veta Tomas structure has demonstrated continuity of the structure along strike and down dip in several sections. In addition, repetition of veins resulting from sub-parallel faults moving down dip segments up (stacked sections) was observed in sections drilled off. The challenging topography eliminated several important drill site locations which impacted the overall drill plan. As in Dos Hornos 1 and Dos Hornos 2 sub-parallel fault planes cutting the mineralized structure returned low assay values from quartz breccia and gouge. Drill hole VT 07 – 11 was drilled at 180 degrees to the strike of Veta Tomas. The drill hole cut a zone 72 metres in width. It is a blind zone of silver and gold mineralization associated with quartz veins and quartz stock work overlain by rhyolite flows. Structural considerations suggest the structure may be a fault segment of Dos Hornos 2 however additional drilling is required to define the structure and confirm this initial interpretation. This structure is a future exploration target.

Once Bocas North

Drilling on Once Bocas North was centered in the 1,000 metre strike length of the structure as mapped on surface. Drilling has confirmed the semi-continuous extension of the quartz veins and quartz stock work to the northwest. At approximately 300 metres to the northwest, a structure containing quartz veins was intersected. The structure is not directly on strike with Once Bocas North. At this time it is not known if this structure is a northwest extension of Once Bocas North or a new structure. Once Bocas North remains open along strike to the northwest.

Once Bocas South

Once Bocas South was previously identified by surface mapping with an indicated width of 30 metres and an indicated strike length of 600 metres. Drilling in four sections consisting of six drill holes defined a strike length of 230 metres and a width of 100 metres. The zone consists of two distinct segments of quartz veins and/or quartz stock work. The upper segment is comprised of quartz veining while the lower segment consists mainly of quartz stock work of variable intensity. Follow up drilling is required to define the geological setting of the structure and to confirm the surface mapping defined strike length of Once Bocas South at 600 metres. Initial indications point to the possibility of Once Bocas South representing open pit potential however additional drilling is required to confirm this. Once Bocas South is open along strike to the southeast.

Veta-Olvidada

Veta Olvidada is a quartz breccia zone demonstrating oxidation and leaching which was identified in 2008. The 2011 drill program defined a strike length of 400 metres. Veta Olvidada exhibits intense weathering and oxidation in the northwest. An increase in the silver-gold grade is indicated with the transition to the south east from quartz

breccia veins to a quartz vein quartz stock work zone. Veta Olvidada along with the other known structures within Cafetal are open to the northwest and southeast. Veta Olvidada may represent an open pit target however additional drilling is required to confirm this.

Cerro Chacuaco

Cerro Chacuaco is characterized by intense silification in the upper part of the hill changing to less silicified and altered lithic rhyolite tuff. These veins are hosted by lithic rhyolite tuff. The upper elevations of the hill show strong silica flooding. Along the western portion of Cerro Chacuaco and within Arroyo Chacuaco channel samples and rock geochemistry of silicified tuffs trending under basalt cover indicated a large area of highly anomalous silver-gold values. This area has approximate dimensions of 200 metres by 600 metres and is an exploration target.

An independent mineral resource estimate for the Nuevo Milenio project as at July 30, 2012 was prepared by Derek McBride P. Eng. which incorporates the results of the Company's 2011 drill program on the project (the "**2012 Resource Estimate**").

The 2012 Independent Mineral Resource Estimate replaces in entirety the 2008 Inferred Mineral Resource Estimate previously disclosed by the Company and the Company advises that the 2008 Inferred Mineral Resource Estimate can no longer be relied upon.

Cream Minerals Limited Commentary

Dr. Derek McBride P.Eng, is convinced of the exploration potential at Nuevo Milenio. Dr. McBride P.Eng, has noted "Nuevo Milenio is a property of merit". The 2012 updated Independent Mineral Resource Estimate has identified 2,829,000 tonnes containing 9,660,000 ounces silver equivalent which is in the Measured and Indicated categories and 3,554,000 tonnes containing 7,270,000 ounces silver equivalent in the Inferred category. The property contains a minimum of seven mineralized zones; previous drilling has provided resources on four zones and indicated significant targets on all zones. The 2011 drill program identified a resource on Once Bocas South which had not previously been drilled. All the mineralized zones with significant data suggest that the best mineralization occurs within 100 metres of surface and forms hills.

The 2011 drill program was based on a geological interpretation employing all historical exploration data up to 2008 including widely spaced drill holes. In-fill drilling and a portion of the step out drilling generated data which upon review did not support the original geological interpretation which formed the basis of the 2008 Inferred Mineral Resource Estimate. As a result the in-fill drilling did not consistently generate assays to support the previously estimated grades and as a result the average grade decreased. A review of the data indicates that Dos Hornos-Veta Tomas is a near surface epithermal system with mineralization occurring within 150 metres of surface.

Based on the results of the 2011 exploration program and reviewed by Dr. McBride the following targets have been identified as warranting further exploration:

- 1) Once Bocas North and Once Bocas South are potential open pit targets that can be expanded both at depth and on strike.
- 2) The transition zones identified on Dos Hornos 1 and Dos Hornos 2, in particular the Southern Transition zone are potential exploration targets based on intercepts of blind and semi-blind veins which returned assays in excess of 300 g/t silver and 700 g/t silver both over one metre. These veins appear to lie parallel to Dos Hornos 2 and Veta Tomas possibly forming a parallel zone.
- 3) A structure identified through surface exploration work containing colonial trenches and colonial shafts extends 500 metres to the south east and is on strike with Veta Tomas. Preliminary exploration work suggests this structure may be an extension of Veta Tomas. This would open a potential exploration zone if the structure is a faulted segment of Veta Tomas.
- 4) Chacuaco and Cafetal while earlier stage exploration targets warrant drill testing based on exploration work which includes sampling of trenches and Spanish workings and limited drilling having identified several high priority drill targets.
- 5) Drilling to the east of Veta Tomas intersected a blind structure which based on preliminary examination may be a fault block of Dos Hornos 2. If this initial interpretation is correct a potential exploration zone may be opened.

6) Earlier stage but important exploration targets include the silica cap to the west of Once Bocas North, the northern extension of Once Bocas North which has a surface mapped strike length of over 400 metres and the Cafetal East zone. Each has the potential to be potential future exploration targets.

Qualified Person

Dr. Derek McBride P.Eng., prepared the 2012 mineral resource estimate for Nuevo Milenio and has supervised the preparation of information of a scientific or technical nature in this news release.

Quality Control and Data Verification

Ferdinand Holcapek, director of Cream and director-general of Cream Minerals de Mexico, is the Company's qualified person responsible for the Company's quality control and quality assurance program and has verified technical data underlying the opinions and information in this news release. Details of the Company's quality assurance and quality control program are contained in News Release dated February 27, 2012.

All data disclosed in this document was obtained from previously issued Cream news releases. All data and opinions contained herein and within the previously issued news releases were reviewed and verified by Mr. Ferdinand Holcapek P. Eng. Mr. Holcapek is the Company's Qualified Person for the purpose of NI 43-101 with respect to this property.

Gold-Silver Mineral Resource Estimates

Cautionary Note to U.S. Investors concerning estimates of Measured and Indicated Resources

This section uses the terms "measured" and "indicated resources." We advise U.S. investors that while those terms are recognized and required by Canadian regulations, the U.S. Securities and Exchange Commission does not recognize them. **U.S. investors are cautioned not to assume that any part or all of mineral deposits in these categories will ever be converted into reserves.**

Cautionary Note to U.S. Investors concerning estimates of Inferred Resources

This section uses the term "inferred resources." We advise U.S. investors that while this term is recognized and required by Canadian regulations, the U.S. Securities and Exchange Commission does not recognize it. "Inferred resources" have a great amount of uncertainty as to their existence, and great uncertainty as to their economic and legal feasibility. It cannot be assumed that all or any part of an Inferred Mineral Resource will ever be upgraded to a higher category. Under Canadian rules, estimates of Inferred Mineral Resources may not form the basis of feasibility or pre-feasibility studies, except in rare cases. **U.S. investors are cautioned not to assume that part or all of an inferred resource exists, or is economically or legally mineable. See Page 5 of this Annual Report for information relating to Inferred Resources.**

The 2012 Independent Mineral Resource Estimate replaces in entirety the 2008 Inferred Mineral Resource Estimate previously disclosed by the Company and the Company advises that the 2008 Inferred Mineral Resource Estimate can no longer be relied upon.

Independent Mineral Resource Estimate Summary

The updated Independent Mineral Resource Estimate was prepared by Dr. McBride P.Eng, a qualified person independent of the company under National Instrument 43-101 – *Standards of Disclosure for Mineral Projects*.

RESOURCE SUMMARY NUEVO MILENIO										
Zone	Tonnes Measured	Tonnes Indicated	Tonnes Meas. + Ind.	Tonnes Inferred	Gold g/t	Silver g/t	Silver Eq. g/t	Au oz	Ag oz	Ag Eq. oz
									Million	Million
Dos Hornos 1 50g	1,000,000	278,000	1,278,000	133,000	0.45 0.33 0.42 0.21	80.97 71.98 79.41 59.50	103.47 88.63 100.24 73.53	14643 2980 17623 920	2.60 0.64 3.24 0.27	3.34 0.79 4.13 0.32
Dos Hornos 2 50g	526,000	255,000	781,000	122,000	0.73 0.58 0.68 0.52	74.60 63.30 70.91 51.49	118.18 92.49 109.79 77.22	12384 4792 17176 2027	1.26 0.52 1.78 0.20	1.88 0.76 2.64 0.30
Veta Tomas 50g	430,000	340,000	770,000	245,000	0.55 0.56 0.55 0.65	95.09 81.62 89.14 88.37	122.52 109.55 116.64 120.67	7582 6104 13686 5087	1.31 0.89 2.20 0.70	1.69 1.20 2.89 0.95
Total Measured	1,956,000				0.55	82.36	111.61	34609	5.17	6.91
Total Indicated		873,000			0.49	73.20	97.91	13876	2.05	2.75
Total Measured and Indicated			2,829,000		0.53	79.79	107.34	48435	7.22	9.66
Inferred				500,000	0.50	71.69	97.53	18773	1.17	1.57

Inferred Resources

Dos Hornos 1&2 and Veta Thomas				500,000	0.50	71.69	97.53	18773	1.17	1.57
Open Pit potential 20g										
Once Bocas North				2,145,000	0.20	40.67	50.67	15840	2.50	3.20
Once Bocas South				909,000	0.27	72.28	82.27	8170	2.10	2.52
Total Inferred				3,554,000	0.26	53.25	66.25	42783	5.77	7.29

Notes and Assumptions: The Independent Mineral Resource Estimate employed a cut-off grade of 50 g/t silver for underground resources and 20 g/t for open pit resources. Metal prices assumed were \$30.00 per ounce for silver and \$1,500.00 for gold. Average true widths ranged from three metres to five metres.

The distance from a data point used to classify the resources is; 0 to 25 metres for Measured; 25-50 for Indicated; and 50 to 75 metres for Inferred mineral resource categories. Using a square pattern, the influence of each data point is as defined above, or less depending on the actual distance between data points. The mineralization is considered to be in vertical shoots so that true widths are equal to horizontal widths. All data was presented on a spreadsheet that automatically calculated the tonnages, grades and metal content.

The Company intends to file an updated NI-43-101 technical report within 45 days of the date of this 20F.

Sensitivity Analysis

A sensitivity analysis was conducted employing a cut-off grade of 160 g/t silver. Performed on Dos Hornos 1, Dos Hornos 2 and Veta Tomas (underground resources) a higher grade zone averaging 1.4 metres true in width containing 6,470,000 tonnes grading 1.03 g/t gold and 178.70 g/t silver averaging 229.98 g/t silver equivalent was identified. Of this 5,960,000 tonnes grading 1.17 g/t gold and 170.54 g/t silver averaging 231.22 g/t silver equivalent were defined in the measured and indicated category. The sensitivity analysis confirms the existence of higher grade mineralization contained within the wider three metre to five metre medium grade veins and indicates possible commercially viable grades and widths.

RESOURCE SUMMARY NUEVO MILENIO										
Zone	Tonnes Measured	Tonnes Indicated	Tonnes Meas. + Ind.	Tonnes Inferred	Gold g/t	Silver g/t	Silver Eq. g/t	Au oz	Ag oz	Ag Eq. oz
									Million	Million
Dos Hornos 1 160g	287,000	56,000	343,000	700	1.18 0.91 1.14 0.30	174.30 170.46 173.67 156.87	233.70 216.10 230.83 171.90	10985 1636 12621 71	1.61 0.31 1.92 0.04	2.16 0.39 2.55 0.04
Dos Hornos 2 160g	167,000	69,000	236,000	15,000	1.50 1.04 1.36 1.01	165.87 151.05 154.87 174.88	240.93 203.17 229.88 225.31	8045 2321 10366 500	0.89 0.37 1.26 0.09	1.29 0.45 1.74 0.11
Veta Tomas 160g	159,000	65,000	224,000	49,000	1.01 1.05 1.02 1.04	181.27 184.72 182.27 180.21	231.60 237.26 233.24 232.24	5108 2206 7314 1626	0.92 0.39 1.31 0.28	1.17 0.50 1.67 0.36
Total Measured	613,000				1.22	126.79	235.12	24138	3.42	4.62
Total Indicated		190,000			1.01	168.29	218.64	6183	1.07	1.34
Total Measured and Indicated			803,000		1.17	170.54	231.22	30301	4.49	5.96
Inferred				64,700	1.03	178.8	229.98	2197	0.41	0.51

The 2011 drill program was based on a geological interpretation employing all historical exploration data up to 2008 including widely spaced drill holes. In-fill drilling and a portion of the step out drilling generated data which upon review did not support the original geological interpretation which formed the basis of the 2008 Inferred Mineral Resource Estimate. As a result the in-fill drilling did not consistently generate assays to support the previously estimated grades and as a result the average grade decreased. A review of the data indicates that Nuevo Milenio is a near surface epithermal system with mineralization occurring within 150 metres of surface.

Measurement uncertainty and impairment assessments

Mineral resources estimates are inherently uncertain. See "Item 3D - Risk Factors - Risks Associated with Mineral Exploration".

Cream is currently in the exploration stage on its mineral property interests, and has expensed its exploration costs. The mineral property costs that are capitalized relate to mineral property acquisition costs. At March 31, 2012, the carrying value of mineral property interests was \$0.1 million. To the extent that the cumulative exploration amounts expensed to date were significantly in excess of the property carrying value and in the absence of negative exploration results or a decision to abandon the property management has concluded that the fair values of the properties is at least equal to or greater than its book value. The Company also used an overall global valuation test, and compared the market capitalization to its net book value at March 31, 2012, as well as an assessment as to what premium, if any, would be reasonable and concluded that no property impairment charges were identified.

In addition, the Company re-evaluates the carrying values of equipment when events or changes in circumstance indicate that carrying values may not be recoverable. If it is determined that the estimated net recoverable amount based on non-discounted cash flows is less than the carrying value, a write-down to the estimated fair value is made by a charge to earnings. Where estimates of future cash flows are not available and where other conditions suggest impairment, management assesses whether the carrying value can be recovered.

The Company completed an impairment assessment for each of its mineral property interests for the year ended March 31, 2012. It is management's opinion that the carrying value of its properties is supported by recent exploration expenditures in excess of the properties' carrying values and the Company's near-term exploration plans. Although management believes that estimates applied in these impairment assessments are reasonable, such estimates are subject to significant measurement uncertainty and judgments.

Exploration Expenditures

Expenditures incurred by the Company on Nuevo Milenio in fiscal 2012 (fiscal 2011 numbers in parentheses) include the following: assays and analysis - \$142,656 (\$8,827); drilling - \$1,997,886 (\$714,320); geological and geophysical - \$284,690 (\$241,170); site activities - \$277,023 (\$167,941); stock-based payments - \$Nil (\$440,824) and travel and accommodation- \$19,537 (\$41,213).

Project Schedule

Drilling on Nuevo Milenio was completed in September 2011.

Following review and interpretation of the data obtained from the recently completed 20,292 metre drill program in combination with the historical exploration data, the Company will determine the next appropriate step in the exploration of Nuevo Milenio.

Exploration Projects, British Columbia Properties

The Company has two early-stage exploration projects in British Columbia, Canada. The locations are shown on the map below, with details of the projects following.

Exploration activities on the Kaslo and Goldsmith properties have been planned and carried out under the supervision of Linda Dandy, P.Geol., and Perry Grunenberg, P. Geol. both "Qualified Persons" for the purpose of NI 43-101, "Standards of Disclosure for Mineral Projects".

Kaslo Property, British Columbia

Introduction

The Kaslo Property in British Columbia is without known mineral resources and reserves and the proposed programs are exploratory in nature. In fiscal 2012, the Company wrote down the value of the Kaslo Property to \$nil.

Property Location and Geology

The 100% owned Kaslo Silver Property ("Kaslo") encompasses nine former high-grade silver-lead-zinc historic small scale mines located in south-eastern British Columbia, Canada. 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.

In October 2004 Cream commenced a diamond drill program on the 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 metres 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 the entire width of the shear zone and did not intersect the high-grade footwall mineralization.

Prior drilling by Cream in 1998 returned values up to 2,271 g/t silver over 0.51 metres within a 3.25 metre interval that assayed 390.05 g/t silver from drill hole 98SB-05. The highest silver values intersected in the previous drill program were obtained from the strongest part of the shear zone tested during that program. These step-out holes intersected what appears to be broader and more intense shearing that may be related to higher-grade silver values.

Location and Access

The 4,000-hectare Kaslo Silver Property is located 12 km west of the town of Kaslo in southern British Columbia. Access to the Kaslo Silver Property is via Highway 31A for seven km west from Kaslo, then 4.5 km southwest along Keen Creek Road to the property boundary. The property lies along the Keen Creek Road for approximately 10 km. Logging roads and numerous old mining roads and trails, some of which are heavily overgrown, bisect the property. Power lines come to within 4 km of the property boundary, and water is abundant throughout.



Physiography

Kaslo is located in an area of rugged mountainous terrain. Topography on the property is steep with elevations ranging from 1,050 metres along the Keen Creek valley to 2,200 metres on the Gold Cure ridge.

The Keen Creek valley runs along the northwest boundary of the property, with numerous tributaries crossing the property and emptying into Keen Creek. The major tributaries, from northeast to southwest are Ben Hur, Briggs, Klawala, Kyawats and Desmond Creeks.

History

The Kaslo Silver Property includes nine former, small mines, which were originally discovered and worked for high-grade silver ores during the heyday of the Slocan Mining Camp at the end of the 19th century. Intermittent exploration, development and production have taken place at various locations on the property since that time, most notably in the 1920s and 1950s. The Cork-Province Mine was consolidated in 1914 and was the longest-lived producer in the camp when it closed in 1966. Five former workings, the Silver Bear, Hartford, Gibson, Gold Cure, and Bismark are situated along the Gold Cure Shear Zone, which has been traced northeast across the property for 7.1 km. Five additional workings, the Black Bear, Cork, Province, Dublin and Black Fox workings lie along the parallel 4.1 km long Cork Shear Zone, located in the Keen Creek valley approximately 1 km north of the Gold Cure Shear Zone. Both shears are open along strike to the north and at depth.

Geophysics

Since it acquired the property, Cream has completed 51.7 km of VLF-EM geophysical coverage over the mineralized Cork and Gold Cure Shear Zones. The geophysical surveys clearly define the location and extent of the controlling shears, as they are very conductive by nature.

In 1999, a gravity geophysical survey was conducted over the Cork North zone to define which of the several limestone beds have the best potential to host massive sulphide mineralization. Targets generated by the gravity survey have not been drill tested.

Geochemistry

Soil geochemical surveys have been completed over the length of the Cork and Gold Cure Shear Zones. Linear trends of anomalous values for silver, lead and zinc in soil have been found running coincident with the shear zones. Occasionally gold, arsenic, cadmium and other elements occur with the silver, lead and zinc anomalies.

Black Bear Group of Claims

For a description of Cream's interest in this property, see "Kaslo Silver Property" under this Item 4.

Location and Access

The Black Bear claims are located immediately north of and are contiguous with the Bismark Claims. The Property is presently composed of a three-claim mining lease and three reverted, crown-granted mineral claims situated just 600 metres along strike to the north of the former Cork-Province Mine on the adjacent Bismark Claims. The Black Bear claims can be accessed through the Kaslo Silver Property, which is located 12 km west of the town of Kaslo in southern British Columbia. Access to the Kaslo Silver Property is via Highway 31A for seven km west from Kaslo, then 4.5 km southwest along Keen Creek Road to the property boundary.

History

The property encompasses three former silver producers, the Mastodon, Liberty, and Black Bear workings. The Mastodon and Liberty workings were discovered and operated in the late 1890s. The Black Bear was probably discovered at the same time but the only government reports of this occurrence are from 1920 when the mine was rehabilitated to explore a 48-centimetre wide vein that yielded 2.74 g/t gold, 181.7 g/t silver, 15.0% lead and 3.6% zinc.

The Liberty and Mastodon workings were on adjacent crown grants that were initially worked in 1899. Workings consist of eight or more short adits and shafts that explore two or more fissure-vein lodes striking northeast and in part conforming with the structure of the host metasediments. Exploration completed by Cream in 1997 on the adjacent Bismark Claims suggests that the Black Bear workings are probably hosted by the same shear structure that hosts the Cork-Province Mine. The Liberty and Mastodon workings are believed to be on parallel structures.

Cream completed a preliminary program of geological mapping, geochemical surveys, VLF electro-magnetometre surveys, a reconnaissance gravity geophysical survey, excavator trenching and 110 metres of diamond drilling in three short holes over the Black Bear Claims in 1998 and 1999. The trenching program successfully encountered several small massive sulphide bodies that were tested with three short, wide spaced, diamond drill holes. Sulphides were primarily pyrite, arsenopyrite and sphalerite containing low-grade silver values.

Black Fox Claims

In June 1998, Cream purchased a 100% interest in the Black Fox Claims located near Kaslo, British Columbia. The property comprises three crown-granted mineral claims: the Daisy, Black Fox and California. The former Black Fox mine workings are located on the Daisy Claim, immediately adjacent to the Cork-Province area on Cream's Bismark Claims. The claims lie on the southwest extension of the Cork Shear Zone.

There was no material work carried out on the property in fiscal 2003 or 2004 as Cream did not have sufficient working capital to conduct a full-scale exploration program on the properties that make up the Kaslo Silver Property. As a result, in 2003, Cream wrote down deferred acquisition and exploration costs to a nominal carrying value of \$1 to reflect the extended period of inactivity on the property. The claims remain in good standing and the property is considered a long-term asset of the Company. Exploration costs incurred since the year ended March 31, 2005, to March 31, 2008 of \$162,099 have been expensed. Additional costs of \$359 were expensed in fiscal 2009.

Proposed Exploration

No significant exploration work is proposed for fiscal 2013.

Ms. Linda Dandy, P.Geo. of P&L Geological Services, has supervised the Company's Canadian exploration programs summarized above and is the Company's supervisor and "Qualified Person" for the purpose of NI 43-101.

Goldsmith Property, British Columbia

Introduction

The Goldsmith Property in British Columbia is without known mineral resources and reserves and the proposed programs are exploratory in nature.

The Company holds an option to acquire a 100% interest in the Goldsmith property located near Kaslo, British Columbia. The Goldsmith option agreement calls for the issuance of 200,000 common shares (issued) and cash payments totaling \$110,000 (paid) over six years. The optionors will retain a 2% NSR royalty on all metals. The Company may acquire one half of the NSR for \$1,000,000 upon commencement of commercial production or earlier. The last payment of \$20,000 was paid in four installments subsequent to March 31, 2010.

The Goldsmith Property contains numerous historic, small-scale, high-grade gold workings (Lucky Jack, Bullock, Swede, Goldsmith, Gold Park, etc.) throughout a three km long belt of altered volcanic and sedimentary host rocks. High-grade gold mineralization in the workings is found in numerous quartz veins which range from a few centimetres to five metres in width. Also of interest on the Goldsmith Property are reported historic gold values obtained from the sulphide-altered wall rock between and adjacent to the quartz veins.

Location and Access

The Goldsmith Property is located west of the small community of Poplar Creek along Highway 31, 66 km north of Kaslo, BC. The claims are located on map sheets 082K.035 and 045 in the Slocan Mining Division of southeastern British Columbia.

The south side of the claim block (south of Poplar Creek) can be accessed off the Cascade Creek Forest Service Road and the north side of the claim block can be accessed from the Poplar Creek Forest Service Road.



Previous Work

Portions of the Goldsmith Property were worked by Westmin Resources in 1980 and 1981. Work included soil sampling, geological mapping, trenching and diamond drilling. The 1981 drilling and trenching programs were concentrated on the Lucky Jack and Goldsmith areas. Trenching and/or drilling returned narrow widths of high grade gold mineralization in both areas.

No significant exploration programs were carried out on the property after 1982. The next significant exploration work conducted was Cream's exploration programs.

Exploration Summary

Cream began exploration programs on the Goldsmith Property in 2003. Between 2003 and 2008 the Company conducted a series of exploration programs including grab sampling and chip sampling from areas of the historic workings including samples from waste dumps, adits and trenches associated with the historic workings. A

geochemical soil survey was carried out over a 2.8 km by 2.2 km grid which included the main part of the historical workings, in particular the Bullock and Goldsmith. The program results highlighted a 2 km long gold in soil anomaly. Follow-up work included detailed geological and structural mapping with additional soil sampling. The soil sampling grid was expanded to include the Lucky Jack zone. In addition, detailed geological and structural mapping and rock chip sampling was conducted in order to define trench locations within the anomalous zone. A HTEM-HELIMAG airborne geophysical survey was flown over the property in 2006. Results from the 160-line km magnetic and AeroTem II Electromagnetic survey demonstrate in general that conductors line up well with the regional lithological trends. Field magnetics illustrate a large magnetic high trend averaging 800 metres in width and lying between the two conductive zones. An excavator trenching program was conducted on the property. The trenches were excavated in the area of the Bullock and Goldsmith historic workings. The trenches exposed some veins and uncovered others. All of the trenches and exposed veins were chip sampled to determine average grades.

Total exploration incurred in fiscal 2010 on the Goldsmith and Lucky Jack Claims (2009 includes the Kootenay Gemstone) totaled \$2,815, compared to \$44,649 in fiscal 2009.

Proposed Exploration

No significant exploration work is proposed for fiscal 2013. In fiscal 2012, the Company wrote down the value of the Goldsmith property from \$213,524 to \$0.

Ms. Linda Dandy, P.Geo. of P&L Geological Services, is the Company's project supervisor and "Qualified Person" for the purpose of NI 43-101.

Exploration Projects, Manitoba Properties

The Wine and Blueberry Properties in Manitoba are both without known mineral resources and reserves and the proposed programs are exploratory in nature.

The Company has two early-stage exploration projects in Manitoba, Canada. The locations are shown on the map below, with details of the projects following.



Blueberry Property, Manitoba

In November 2009, the Company entered into an option agreement to acquire the Blueberry property from W.S. Ferreira Ltd. and the Company staked additional claims which have been appended to the option agreement. The property is located approximately 20 km north-east of Flin Flon, Manitoba. The option agreement provides for a cash payment of \$100,000 (\$40,000 paid) and the issuance of 400,000 shares (160,000 issued) over five years with a down payment of \$10,000. The cash payments are \$10,000 on regulatory approval, \$10,000 on the first anniversary, and \$20,000 on each of the second to the fifth anniversary dates. Share issuances are 40,000 on regulatory approval and 40,000 on the first anniversary of regulatory approval, and 80,000 common shares on each of the second to the fifth anniversary dates.

The Company must incur cumulative exploration expenditures totaling \$30,000 following the date of regulatory approval, commencing with expenditures of \$5,000 prior to the first anniversary date and a minimum of \$5,000 annually by each anniversary date on or prior to the fifth anniversary.

On completion of these obligations, the property will be subject only to a 2.0% NSR royalty payable to the optionor from the production of gold, silver and all base metals and other minerals. The Company has the right to reduce the NSR royalty to 1.0% by the payment of \$1,000,000 to the optionor at any time up to and including the commencement of commercial production.

The Company conducted a line cutting and induced polarization (“IP”) survey program in late November to early December 2009. A strong chargeability response - the IP response parameter - was obtained over the 250-metre by 400-metre outcrop containing numerous gold occurrences. The outcrop is in the northeastern end of a strong response of some 900 metres length that strikes southwesterly paralleling numerous splays of the Mikanagan fault zone. Three other smaller zones of higher chargeability were recorded to the northwest and southeast of the main anomaly. At present the data is being compiled and will be assessed with that of historical exploration work done in the immediate area, to better define targets for a follow-up drill program.

No significant exploration work is proposed for fiscal 2013.

Mr. Peter Walcott P.Eng supervised the IP programs on the Blueberry Project. He is responsible for the technical reporting and is the Company’s “Qualified Person” for the purpose of National Instrument NI 43-101.

Wine Nickel-Copper Property, Manitoba

In March 2006, the Company entered into an option agreement, as amended, to acquire 100% interest in the Wine Claim, MB 3964 and Wine 1 Claim, all located approximately 60 km southeast of Flin Flon, Manitoba. The Company can earn its interest by making payments totaling \$105,000 (paid) and issuing 200,000 common shares (issued) over a 48-month period. The Company must also incur exploration expenditures on the property of \$5,000 annually for four years. On completion of these obligations, the property will be subject only to a 2.0% NSR royalty payable to the optionor from the production of gold, silver and all base metals and other minerals. The Company has the right to reduce the NSR royalty to 1.0% by the payment of \$1,000,000 to the optionor at any time up to and including the commencement of commercial production.

Cream’s exploration plans included investigating the Wine showing with a single vertical drill hole to determine if the mineralization could be similar to the Sherritt Gordon Mines ore-bodies at Lynn Lake, Manitoba. The Sherritt Gordon Mine produced 20,151,146 tonnes of ore with an average grade of 1.023% Nickel and 0.535% Copper from eleven discrete vertical pipes that are hosted by a mafic to ultramafic igneous pluton (Pinset, R.H.; 1980). A second drill hole was to investigate a large geophysical anomaly situated 100 metres west of the Wine showing.

The first test hole, RAD 07 – 01, on its Wine – Radar Lake property, assayed 1.30% Nickel, 2.27% Copper, 0.319 g/t Gold, 0.132 g/t Platinum and 0.270 g/t Palladium over 66.8 feet core length at a dip of –49 degrees (true width is estimated to be 43.6 feet).

The hole was drilled to test and confirm an earlier hole DDH EEL – 346, drilled in 1987 by Hudson Bay Exploration and Development Co. Ltd., which assayed 0.85% Nickel and 1.42% Copper over 54.0 feet at a dip of –45 degrees (Refer to Cream News Release dated February 6, 2006).

A second drill hole, RAD 07 – 02 was collared at approximately 230 feet southeast of RAD 07 – 01. It was drilled at –60 degrees to a depth of 837 feet with the hope of intersecting mineralization should the zone plunge vertically to that point. The favourable horizon was not intersected in this hole; however, the main purpose of the hole was to locate the downward plunge of the upper zone and the hole was to be used for a down the hole Pulse EM Survey. The work was not carried out.

Results of drilling completed in the summer of 2007 on the Wine Property recommended a VTEM airborne survey be conducted. The VTEM survey was flown over the Wine Property and the Company’s Cedar Claims in late spring of 2008. Exploration expenditures on the property in fiscal 2009 included the VTEM airborne survey and geological and geophysical studies amounting to \$70,739 and site activities costing \$1,742. In fiscal 2008, the Company drilled one hole and a second was started but abandoned after 200 metres of drilling. Drilling, assay and other costs in fiscal 2008 totalled \$212,029.

The Company wrote-off the property during fiscal 2012.

Mr. A. J. Spooner, P.Eng. of A.J. Spooner Exploration Services, Inc., Flin Flon, Manitoba, is the “Qualified Person” for NI 43-101.

Stephens Lake Property (Trout Claim Group), Manitoba

The Trout Claim Group is situated 100 km east of Gillam, Manitoba. In order to facilitate the exploration of the property, Sultan Minerals Inc., ValGold Resources Ltd., and the Company (the “Companies”), agreed to pool three respective and contiguous exploration licences, so that each would hold an undivided one-third interest in all three of the exploration licenses. The Companies have since reduced the size of the property to the Trout Claim Group. The Trout Claim Group was acquired under an option agreement whereby the Companies made combined cash payments totaling \$110,000 and issued a combined 200,001 common shares. Having earned the 75% interest, the Companies and the optionor may enter into a 75:25 joint venture for the further exploration and development of the Trout Claim Group. To date, a joint venture agreement has not been entered into. The Companies formerly held additional claims in the province of Manitoba, which surrounded the Trout Claim Group. These claims are no longer held by the Companies. The Trout Claim group has been written down to a nominal carrying value of \$1.00 as no exploration work is currently planned for this property.

The Company wrote-off the property during fiscal 2012.

Mr. Arthur Troup, P.Geo of Sultan Minerals Inc., is the Company’s project supervisor and “Qualified Person” for the purpose of NI 43-101.

Capital Expenditures and write-downs

Cream’s principal capital expenditures and write-downs over the two fiscal years ended March 31, 2012, are as follows:

Year	Mineral Property Acquisitions	Equipment Acquisitions	Mineral Property Write-downs
2012	\$ 32,687	\$ 22,069	\$ 440,812
2011	46,821	36,455	12,806

Amounts Expensed

Exploration expenses in the five fiscal years ended March 31, 2012:

Year	Nuevo Milenio	Kaslo Silver Property, British Columbia	Goldsmith and Other Properties, British Columbia	Manitoba Properties	Casierra Property, Sierra Leone	Total
2012	\$ 2,721,792	\$ 39,027	\$ Nil	\$ 2,300	\$ Nil	\$ 2,763,119
2011	1,614,295	580	80,019	7,256	Nil	1,702,150
2010	245,753	941	2,815	143,038	24,510	417,057
2009	365,729	359	44,649	77,481	464,771	952,989
2008	784,250	1,199	26,665	199,229	1,352,908	2,364,251

The Company’s sole source of funding has been the issuance of equity securities for cash, primarily through private placements to sophisticated investors and institutions. The Company has issued common shares in each of the past few years, pursuant to private placement financings and the exercise of warrants and options.

ITEM 4A. UNRESOLVED STAFF COMMENTS

Not applicable.

ITEM 5. OPERATING AND FINANCIAL REVIEW AND PROSPECTS

The following discussion and analysis should be read in conjunction with the audited consolidated financial statements of Cream for the years ended March 31, 2012 and 2011 and the related notes thereto. Cream's consolidated financial statements have been prepared in accordance with IFRS as issued by the IASB.

Overview

Cream is a mineral exploration company with no producing properties and consequently has no current operating income or cash flow. All of Cream's short to medium-term operating and exploration cash flow must be derived from external financing. Cream expects to raise additional financing to continue its planned exploration of the Nuevo Milenio Project. Additional financing will be required should the Company initiate a limited drill program on the Blueberry property.

Critical accounting policies and changes in accounting policies

The preparation of financial statements requires management to establish accounting policies, estimates and assumptions that affect the timing and reported amounts of assets, liabilities, revenues and expenses. These estimates are based upon historical experience and on various other assumptions that management believes to be reasonable under the circumstances, and require judgment on matters which are inherently uncertain. A summary of the Company's significant accounting policies is set out in Note 2 of the Company's consolidated financial statements for the years ended March 31, 2012 and 2011.

Recent accounting pronouncements

A summary of recent accounting pronouncements issued which may affect the Company in the future are set out in Note 2 (p) of the Company's consolidated financial statements for the years ended March 31, 2012 and 2011.

A. Operating Results

Year Ended March 31, 2012 ("fiscal 2012"), Compared to Year Ended March 31, 2011 ("fiscal 2011")

In fiscal 2012, Cream incurred a loss of \$4,883,290, a loss per common share of \$0.03, compared to a loss of \$4,605,246, a loss of \$0.06 per common share in fiscal 2011.

Exploration costs of \$2,763,119 were incurred in fiscal 2012, compared to \$1,702,150 in fiscal 2011, contributing to the loss in each year. Expenditures in fiscal 2012 by project area, with comparative figures for fiscal 2011 in parentheses are as follows: Casierra Property, Sierra Leone - Nil (\$Nil); Kaslo Silver Property, British Columbia - \$39,027 (\$580); Goldsmith and other properties, British Columbia - \$Nil (\$80,019); Manitoba Properties, Manitoba - \$2,300 (\$7,256) and Nuevo Milenio, Mexico - \$2,721,792 (\$1,614,295).

In fiscal 2011, the Company incurred and wrote-down the acquisition costs (this being a one year renewal of its Kaslo Silver Property by \$12,806, to a nominal carrying value of \$1, and in fiscal 2012, wrote down the property to \$Nil).

Total expenses other than exploration costs and write-down of exploration and evaluation assets totaled \$1,720,277 in fiscal 2012, compared to \$2,907,436 in fiscal 2011. Significant differences between the levels of expenditures in the two fiscal years include a significant increase in legal and other fees relating to the Company's responses to the unsolicited take-over bid, and the initial and amended offers from Endeavour in fiscal 2011. These take-over defense costs totaled \$Nil in fiscal 2012, compared to \$524,212 in fiscal 2011. This included a \$150,000 settlement fee paid to Minco. The increase in expenditures from the prior year is also due to the following: foreign exchange loss decreased from \$14,438 in fiscal 2011 to a loss of \$12,638 in fiscal 2012; shareholder communications increased from \$297,859 in fiscal 2011 to \$496,437 in fiscal 2012; share-based payments decreased from \$1,339,990 in fiscal 2011 to \$480,229 in fiscal 2012 due to 2,300,000 stock options being granted during the year (6,575,000 in 2011); and salaries and benefits increased from \$381,433 to \$453,463 from fiscal 2011 to fiscal 2012.

Cream conducted most of its exploration activities in Mexico and in Canada in fiscal 2012, and as such, the Company has foreign exchange risks associated with exploration in foreign jurisdictions. The Company had a foreign exchange loss of \$12,638 in fiscal 2012, compared to a foreign exchange gain of \$14,438 in fiscal 2011. The Company's cash balances are primarily held in Canadian dollars with nominal funds held in United States dollars and in Mexican pesos.

Consulting fees of \$22,500 (2011 - \$30,000) were paid or are payable to Kent Avenue Consulting Ltd. for services rendered by Sargent H. Berner, a director of the Company.

Quorum Management and Administrative Services Inc. ("Quorum") provides accounting, administrative and other services on a full cost recovery basis to Cream and other public companies sharing office space. Office and administration costs decreased from \$169,200 in fiscal 2011 to \$155,691 in fiscal 2012. The office and administration costs include rent, telephone, shared office services and other costs related to administration of a public company, and may vary from period to period. Salaries and benefits have increased from \$381,433 in fiscal 2011 to \$453,000, in fiscal 2012. Salaries in fiscal 2011 include a bonus paid to the president of the Company that was related to the previous two years.

Shareholder communications have increased from \$297,859 in fiscal 2011 to \$496,437 in fiscal 2012. The increase includes services of Robert Paul and other external investor relations consultants. Website, printing, conference fees, annual general meeting materials, and related shareholder communications make up the balance of costs.

B. Liquidity and Capital Resources

Financial Conditions for year ended March 31, 2012

The Company's major source of funding has been the issuance of equity securities for cash, primarily through private placements to sophisticated investors and institutions. The Company has issued common shares in each of the past few years, pursuant to private placement financings and the exercise of warrants and options.

There is no assurance that the Company will be successful with any financing ventures. Please refer to Item 3 – Key Information – section D - Risk Factors in this document.

At March 31, 2012, the Company had working capital of \$308,778, defined as current assets less current liabilities, compared with working capital of \$4,433,482 at March 31, 2011. The Company's consolidated financial statements were prepared using IFRS applicable to a going concern. Several adverse conditions cast substantial doubt on the validity of this assumption – see "Going Concern" disclosure below. When the Company has unused cash, it primarily invests its unused cash in guaranteed investment certificates which are redeemable in full after 30 days with interest or in treasury bills. There have been no investments in commercial paper. Where the initial term of the guaranteed investment certificate is greater than 90 days, it is recorded as a short-term investment.

Operations for the year ended March 31, 2012, have been funded primarily from private placement financings.

Potential Restrictions on Transfer of Funds by Subsidiaries

The Company's subsidiary is a Mexican incorporated corporation. There are no currency restrictions on transfer of funds from Mexico to Canada. The Company currently has no source of operating cash flow and has a history of operating losses. Cream currently has no revenue from operations and all of its mineral property interests are in the exploration or development stages. The Company does not expect to receive significant revenue from operations at any time in the near future, and Cream has had no prior years' history of earnings or operating cash flow. Neither Cream nor its predecessors have paid dividends on their shares since incorporation and the Company does not anticipate doing so in the foreseeable future.

Investing Activities

As at March 31, 2012, Cream has capitalized \$97,080 (2011 - \$483,605) representing costs associated with the acquisition of its mineral property interests Manitoba.

Capital Resources

At March 31, 2012, Cream's working capital, defined as current assets less current liabilities, was \$308,778 compared to a working capital of \$4,433,482 at March 31, 2011. The Company's continued operations are dependent upon the Company's ability to obtain sufficient financing to carry on planned operations. At the date of this Annual Report, the Company has sufficient working capital to meet its obligations in the ordinary course for approximately 6 months. This does not include continuation of drilling at Nuevo Milenio.

At March 31, 2012, the Company had 152,642,916 common shares issued and outstanding.

Additional financing will be required in fiscal 2012 to advance Nuevo Milenio. Such financing may be achieved through the exercise of share purchase warrants and through the issuance of common shares, or other forms of financing.

Share Capital

The Company's continued operations are dependent upon the Company's ability to obtain sufficient financing to carry on planned operations.

2011

On April 13, 2010, the Company completed a private placement of a total of 22,963,214 units at a price of \$0.07 per unit for gross proceeds of \$1,607,425. Each unit is comprised of one common share and one non-transferable share purchase warrant. Each warrant entitles the holder to purchase one additional common share of the Company for a period of 24 months at the exercise price of \$0.10 for a period of 12 months from the date of issue of the warrant and at a price of \$0.15 for the remaining 12-month period. Compensation was paid to certain eligible arms-length parties in an amount equal to 10% of the total proceeds raised from the sale of the units to subscribers, and payable at their election in cash or units of the Company or a combination thereof. A cash commission of \$59,185 was paid, and a total of 144,000 finder's units were issued. The finder's units have the same terms as the units. The finder's warrants and share purchase warrants were valued using a Black Scholes option pricing model using the following assumptions: weighted average risk free interest rate of 1.15%-1.98%, volatility factors of 94%-131% and an expected life of 2 years. The total value ascribed to the finder's warrants and share purchase warrants was \$659,782.

If the Company's common shares trade at or above \$0.30 per share for 10 consecutive trading days, the Company may, at its discretion, accelerate the expiration of the warrants (and including the warrants forming part of the finder's units) by providing notice in writing to the holders of such securities, whereby such warrants will expire within 30 days from the date of such written notice. Mr. Frank A. Lang, a former President and director and the former Non-Executive Chairman of the Company who resigned subsequent to the fiscal year end, acquired 5,100,000 units in the private placement for the subscription price of \$357,000.

On December 21, 2010, the Company completed a bought deal financing of a total of 37,500,000 units at a price of \$0.16 per unit for gross proceeds of \$6,000,000. Each unit consisted of one common share of the Company and one common share purchase warrant. Each warrant entitles the holder thereof to acquire one common share of the Company at an exercise price of \$0.24 per common share until December 21, 2012, provided that if after four months and one day following the Closing Date, the closing price of the common shares of the Company traded on the TSX Venture Exchange, close at a price in excess of \$0.60 per common share for 20 consecutive days, the Company will be able to accelerate the expiry of the warrants to the date that is 30 days after notice of the new expiry date is provided to the holders of the warrants. The share purchase warrants were valued using a Black Scholes option pricing model using the following assumptions: weighted average risk free interest rate of 1.64%, volatility factors of 102.24% and an expected life of 2 years. The total value ascribed to the share purchase warrants was \$2,073,168.

Compensation was paid to certain eligible arms-length parties in an amount equal to 8% of the total proceeds raised from the sale of the units to subscribers, and payable in cash. A cash commission of \$480,000 was paid, and a total of 3,750,000 finder's units were issued. Each finder's warrant entitles the warrant holder to acquire one common share and warrant at a price of \$0.16 until December 21, 2012. The warrant entitles the holder to acquire an additional warrant at a price of \$0.24 until December 21, 2012. The finder's warrants were valued using a Black Scholes option pricing model using the following assumptions: weighted average risk free interest rate of 1.33%-1.64%, volatility factors of 97.46%-102.24% and an expected life of 2 years. The total value ascribed to the finder's warrants was \$755,565.

The securities offered have not been registered under the United States Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration or an available exemption from the registration requirements.

Options and Warrants

2011

In April 2010, the Company issued 22,963,214 share purchase warrants relating to a private placement. Each warrant entitles the holder to subscribe for one common share for a period of 24 months following the date of issue, exercisable at \$0.10 in the first 12 month period, and \$0.15 in the remaining 12 month period. Finder's warrants totaling 144,000 were awarded in relation to the financing. The finder's warrants have the same terms as the warrants included in the units sold to purchasers. If the Company's common shares trade at or above \$0.30 per share for 10 consecutive trading days, the Company may, at its discretion, accelerate the expiration of the warrants (and including the warrants forming part of the finder's units) by providing notice in writing to the holders of such securities, whereby such warrants will expire within 30 days from the date of such written notice. The shares and warrants issued in connection with this non-brokered private placement are subject to a minimum hold period of four months.

On December 21, 2010, the Company issued 37,500,000 share purchase warrants relating to a private placement. Each warrant entitles the holder to subscribe for one common share for a period of 24 months following the date of issue, exercisable at \$0.024. Finder's warrants totaling 3,750,000 were awarded in relation to the financing. The finder's warrants entitle the holder to acquire one common share and warrant at a price of \$0.16 until December 21, 2012. The warrant entitles the holder to acquire an additional warrant at a price of \$0.24 until December 21, 2012. The shares and warrants issued in connection with this non-brokered private placement are subject to a minimum hold period of four months. Following expiry of the four month hold period, if the closing price of the common shares of the Company traded on the TSX Venture Exchange, close at a price in excess of \$0.60 per common share for 20 consecutive days, the Company will be able to accelerate the expiry of the warrants to the date that is 30 days after notice of the new expiry date is provided to the holders of the warrants.

During the year ended March 31, 2011, the Company granted a total of 6,575,000 incentive stock options to directors, officers, employees and consultants of the Company exercisable over a five year period expiring March 4, 2016 valued at a price of \$0.38 per share using the Black-Scholes valuation model, in accordance with the Company's 10% rolling stock option plan.

Financing Activities

Further financing will be required to advance Nuevo Milenio and for general and administrative costs. This could involve joint venture, equity financing, sale of assets, or other forms of financing.

Going Concern

At March 31, 2012, the Company has a working capital surplus. However, it is anticipated that additional financing will be required by Q3 2012.

The Company has incurred operating losses since inception, has no source of operating cash flow, minimal income from short-term investments, and there can be no assurances that sufficient funding, including adequate financing will be available to explore its mineral properties and to cover general and administrative expenses necessary for the maintenance of a public company. The ability of the Company to arrange additional financing in the future depends in part, on the prevailing capital market conditions and mineral property exploration success.

The consolidated financial statements do not include any adjustments to the recoverability and classification of recorded assets, or the amounts of, and classification of liabilities that would be necessary if the going concern assumption were not appropriate. Such adjustments could be material.

Plans for Fiscal 2013

The Company continues to focus on Nuevo Milenio. Following the review, analysis and interpretation of data acquired from the recently completed 20,292 metre diamond drill program as well as historical data, the Company will design and implement an exploration program for 2013.

The Company is in the process of exploring its mineral property interests and has not yet determined whether its mineral property interests contain mineral reserves that are economically recoverable. The Company's continuing operations and the underlying value and recoverability of the amounts shown for mineral property interests are entirely dependent upon the existence of economically recoverable mineral reserves, the ability of the Company to obtain the necessary financing to complete the exploration and development of the mineral property interests and on future profitable production or proceeds from the disposition of the mineral property interests.

Contractual Obligations in 2012

See Item 5 (f) for a table of contractual obligations at March 31, 2012.

Trend information

As a natural resource exploration company, Cream's activities can be cyclical as metal prices have traditionally been cyclical in nature. Recent price trends for gold and silver have exhibited volatility.

The information is drawn from the summary silver market research conducted by The Silver Institute in conjunction with GFMS Limited who publish their findings in an annual report of worldwide silver supply and demand trends available at www.silverinstitute.org, the World Silver Survey 2012, ThomsonReutersGFMS and the Gold Survey 2012 ThomsonReutersGFMS. These annual surveys also include current information on prices and leasing rates, mine production, investment and fabrication. While the following is believed to be reliable the Company has not and is not in a position to independently verify any such information.

Sources: Thomson Reuters GFMS World Silver Survey 2012
Thomson Reuters GFMS Gold Survey 2012
The Silver Institute

See the Risk Factors section for average, high and low gold and silver prices to the date of the filing of this Annual Report on Form 20-F.

Silver

Demand

In 2011, total fabrication demand fell by approximately by 13.5 Moz to 876.60 Moz. Industrial applications fell by 2.7% to 486.5 Moz, the majority of the decrease occurring in the fourth quarter. This drop offset a sharp increase in the first half of 2011. The fourth quarter contraction in industrial applications appears to be end users cutting orders in response to ongoing financial difficulties in the Eurozone and the possibility of slower global economic growth in 2012. In addition high prices encouraged reduced usage and substitution in all areas of industrial employment where possible. It should be noted that in many applications other metals cannot be substituted for silver. With the exception of China all major markets saw a drop in off take in 2011. Jewelry demand dropped by 4.5% to 159.8 Moz. mostly due to a drop in consumption and inventory reductions in the majority of Western markets. Silverware off take dropped by 10% to 46.0 Moz. due to lower demand in India in response to higher prices and a continuation of the year over year decline in Western markets. Photographic demand fell again, the rate of decline being 8%. Photographic demand share of total fabrication demand continued its decline in 2011, a trend that has been in place since 1990. Silver-related demand in the medical sector (the largest portion of photographic demand) recorded a modest fall while demand for silver in film fell by 25% as the move to digital cameras continues.

Supply

Total silver supply in 2011 fell by 34.1 Moz. to 1,040.6 Moz. Mine production increased for the ninth year in a row, growing by 1.4% in 2011 to 761.6 Moz. Mine output from silver producers fell, mostly as a result of lower processed grades in combination with one time production losses at some of the world's largest silver mines. Production from the lead/zinc and gold sectors increased primarily through a ramp up at Penasquito and growth at silver rich gold mines. Primary silver total cash costs rose by 33% year over year to \$USD7.25/oz. in response to higher labour costs and falling processed grades. This was in spite of an increase in by-product credit prices. Silver producers engaged in net hedging in 2011. In total producer hedges added 10.7 Moz of supply to the market. The hedging activity was concentrated in the first half of the year as producers sought to take advantage of high prices. At year end 2011 silver hedges on balance were comprised of downside price protection. The hedge structures were dominated by put sales with strike prices in the \$USD20.00 to \$USD25.00 range and writing of calls at strike prices significantly higher than the spot market price.

Scrap supply rose for the second year in a row by 12% to a new high of 256.7 Moz in 2011. Significant increases in industrial recycling and increases in scrapping of jewelry and silverware in response to much higher silver prices accounted for the increases in scrap supply. The largest gains were seen in the US and Europe. Government sales fell by an unprecedented 74% mainly due to a sharp drop in Russian sales. Sales by Russia fell by approximately 90%. At the end of 2011 total government stocks were estimated to be 97 Moz.

Silver investment demand defined in terms of ounces fell marginally in 2011 though the dollar value remained the same for 2010 over 2011 due to an increase in the average price. Silver ETF holdings fell by 24.2 Moz in 2011. Net investor long positions in COMEX Silver futures contracts fell to 38k contracts in 2011 from 53k contracts in 2010. Purchases of coins and medals increased by some 18 Moz in 2011 to almost 120 Moz. Purchases of silver bars pushed holdings of coins, medals and bars to slightly in excess of 210 Moz in 2011.

The Silver Market

Fabrication demand combined with investment demand versus annual total mine production are the primary drivers of silver prices. Beginning in 2005 silver mine production and scrap supply began to exceed silver demand as a function of fabrication. The gap has widened every year since then. The excess supply has been absorbed by increased investment in silver through coins, medals, bars and ETF's. The expected growth in employment of silver in a variety of uses including but not limited to electronics, technology, medical applications, solar power and water purification should help underpin demand suggesting strong market fundamentals. Silver's role as an investment vehicle can induce significant changes in the price of silver as investors move from net buyers to net sellers and back.

Gold

Demand

Global gold fabrication fell in 2011 over 2010 by 0.9% or 24 tonnes to 2,759 tonnes. Jewelry manufacturing fell in 2011 by 2.2% to 1,973 tonnes. Demand from China increased significantly, the only market to experience an increase. Excluding increased jewelry demand from China global demand fell by 7%. Global industrial off take fell by 3% mostly attributable to stagnating demand in the industrialized world and price driven substitution by copper. Official coin minting increased by 15%. Official sector purchases increased in 2011 over 2010 from just over 200 tonnes to in excess of 400 tonnes.

Gold investment dropped 10% in 2011 to 1,605 tonnes, however this is still well above historical standards, and its share of total gold demand being 36%. In value terms investment achieved a significant increase to an all-time high of approximately \$USD 81 billion. The primary drivers of this trend, which has been in place for several years was the continuation of very low interest rates in the developed world, fear of increasing long-term inflation, and in certain emerging markets negative real interest rates combined with limited investment alternatives to gold and a strong desire to own gold as a store of wealth. The majority of investment was accounted for by physical investment. Combined demand for bars and coins rose 30% to a new record of 1,543 tonnes. Gold ETF holdings increased in 2011 by 162 tonnes over 2010 investment. Net investor long positions in COMEX Gold futures contracts fell to 219 thousand contracts in 2011 from 263 thousand contracts in 2010. Combined demand for bars and coins rose 30% to a new record of 1,543 tonnes with holdings of bars being approximately 1,200 tonnes.

Supply

Global mine production increased by 2.8%, or 78 tonnes marking the third year of growth and a successive second year of all-time highs. The majority of the increase in mine production came from mine start up or ramp-up of new operations. This source of supply accounted for 47 tonnes of the 78 tonnes of total supply increase. The largest regional source of growth was Africa which contributed 51 tonnes to the growth. Annual average cash costs increased by 15% to \$USD 643 per ounce due to increased operating costs and a decline in average mill head grades. The total cost of producing an ounce of gold rose by 22% in 2011 to \$USD 1,044 per ounce. At the end of 2011 above ground stock stood at 171,300 tonnes being comprised of 50% jewelry, 12% other, principally industrial fabrication, 19% private investment, 17% official holdings and 2% unaccounted for. 2011 saw the first year of net hedging by producers in over a decade, the total hedged being six tonnes. Since 2000 supply from scrap, hedging and official sales has been relatively flat, a significant change from the dramatic increases from 1987 to 1999.

The Gold Market

Fabrication demand combined with investment demand versus annual total mine production are the primary drivers of gold prices. Beginning in the mid 2000's gold mine production and scrap supply began to exceed gold demand based on fabrication. The excess supply has been absorbed by increased investment in gold through coins, medals, bars and ETF's. Gold's role as an investment vehicle can induce significant changes in the price of gold as investors move from net buyers to net sellers and back.

Cream Minerals

As a natural resource company, Cream's activities are cyclical as metal prices have been cyclical in nature. Historically Cream has strategically focused its exploration activities on potential silver and gold prospects. Beginning in 2004 prices for both gold and silver began a sustained increase in price that has largely persisted through fiscal 2011. During this time the funds available to finance junior mining companies has grown dramatically as has the number of junior resource exploration companies. However, during the period from 2004 and in particular from the 2008 financial crisis onward the availability of financing has been periodic. The factors cited above have acted to restrict the availability of funding at certain times.

Cream's Management and Board of Directors are not financial or commodity analysts and therefore cannot and should not forecast prices for silver and gold. Management and the Directors do monitor silver and gold industry trends, specifically demand supply data and believe that the silver and gold markets should continue to experience positive fundamentals. As such Cream will continue to advance its silver-gold properties, subject to available funds.

B. Off-statement of financial position arrangements

The Company does not have any off-statement of financial position arrangements that have or are reasonably likely to have a current or future effect on the Company's financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that is material to investors.

C. Tabular disclosure of contractual obligations

The following table summarizes the Company's short-term and long-term obligations as at March 31, 2012:

	Less than one year	1-2 years	2-3 years	3-4 years	4-5 years	5 th and subsequent years (1)	Total
Blueberry Property option	20,000	20,000	20,000	20,000	--	--	100,000

(1) Mineral property option payments are made at the option of the Company, however non-payment of mineral property leases may result in forfeiture of Cream's rights to a particular property.

Safe Harbour

See above – "Cautionary Statement Regarding Forward-Looking Information."

ITEM 6. DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

A. Directors and Senior Management

The following table lists the directors and senior management of the Company. The directors have served in their respective capacities since their election and/or appointment and will serve until the next annual general meeting or until a successor is duly elected, unless the office is vacated in accordance with the Articles/By-Laws of the Company. Mr. Michael O'Connor was appointed President and Chief Executive Officer on October 2, 2008, and Ms. Angela Yap was appointed Chief Financial Officer on May 30, 2011. Ms. Shannon Ross resigned as Chief Financial Officer on May 30, 2011. Mr. Christopher Hebb, Mr. Ronald Lang and Mr. Dwayne Melrose were appointed directors on June 23, 2011. Mr. Frank Lang resigned as a director of the Company on June 23, 2011.

Name and Position	Other Principal Directorships	Shares Beneficially Owned as at July 29, 2012	Principal Business Activities Outside the Company
Christopher H. Hebb Chairman	None	245,000	President and CEO of Cavell Capital Corporation, a Vancouver-based investment management company.
Michael O'Connor President and Chief Executive Officer	None	630,000	None
Angela Yap CFO	None	35,000	Chief Financial Officer of Quorum Management and Administrative Services Inc.
Ferdinand Holcapek Director and Sole Administrator, Cream Minerals de Mexico, S.A. de C.V.	None	3,450,937	Director General and Sole Administrator, Cream Minerals de Mexico, S.A. de C.V. since 2000
Robin H. Merrifield Director	Acrex Ventures Ltd Sultan Minerals Inc. Riverstone Resources Inc.	Nil	Executive Vice President Uranium One Inc.; Chartered Accountant providing financial and general management consulting services internationally and locally to the mining industry
Sargent H. Berner Director	Aurizon Mines Ltd., Emgold Mining Corporation, ValGold Resources Ltd., Sultan Minerals Ltd., Enterprise Energy Resources Ltd., Olivut Resources Ltd., Palo Duro Energy Inc., Pacific Ridge Exploration Ltd., Thor Explorations Ltd.	298,500	Chairman, Emgold Mining Corporation; President, Kent Avenue Consulting Ltd.
Gerald Feldman Director	Brownstone Energy Inc. Mega Uranium Ltd.	Nil	CFO of Pinetree Capital Ltd., Mega Uranium Ltd., Brownstone Energy Inc., and a partner in DNTW Chartered Accountants LLP
Ronald Lang Director	None	2,055,081	Businessman and consultant to companies in the junior resource sector
Dwayne Melrose Director		Nil	Director, President, Chief Executive, Officer and Director of Riverstone Resources Inc.

(1) Subsequent to July 29, 2012,

Christopher Hebb has been Chairman of Cream since June 23, 2011. Mr. Hebb's career includes substantial experience at a senior management level in investment management, expansion capital, private client wealth management, diamond exploration, consumer products, real estate development, steel manufacturing and fabrication, coal mining, and oil and gas exploration and production. He is currently President and CEO of Cavell Capital Corporation, a Vancouver-based investment management company.

Michael E. O'Connor has been President and Chief Executive Officer since October 2008. Mr. O'Connor has over twenty years of experience in the financial services industry including extensive experience in brokerage, banking, investor relations and corporate communications positions. He is an experienced capital markets and communications professional with national and international contacts and has a strong background in the financing of development stage companies. Mr. O'Connor is a graduate of the University of British Columbia where he received his B.A. in 1978.

Angela Yap was appointed CFO on May 30, 2011. Ms. Yap brings over fourteen years of accounting and financial management experience. She began her career at KPMG in the resource group auditing mining and forestry companies, and then transferred to KPMG's tax group. In 2003 Ms. Yap moved to private industry and has held successively senior positions, most recently as Director of Corporate Accounting with the Anthem Properties Group. Ms. Yap holds a Bachelor of Commerce degree from the University of British Columbia and is a Chartered Accountant.

Ferdinand Holcapek is a geologist, and has been the Sole Administrator and Director General of Cream Minerals de Mexico, S.A. de C.V. since its incorporation in 1999. From 1996 to 2001 he was the Sole Administrator and Director General of Valerie Gold de Mexico, S.A. de C.V.

Robin Merrifield is a chartered accountant with substantial international experience, gained in Canada, USA, Southern Africa and five Central Asian countries. Subsequent to his obtaining his professional designation at Deloitte in Cape Town, South Africa, he became the local group financial manager of a large UK shipping and industrial group. He has worked in the mining industry for more than 30 years where he has held a variety of executive financial positions. His corporate and operational experience, with both precious and base metals, was gained with the Anglo American group, Cameco, Uranium One, Centerra's predecessor company and other Canadian public companies. He is a Director of a number of junior exploration mining companies, and was previously an Executive Vice President of Uranium One, having also recently served as its CFO for four years.

Sargent Berner, Director, is a graduate of the University of British Columbia where he received his B.A. in 1963 and his LL.B. in 1966, and the London School of Economics, London, England where he received the degree of Master of Laws in 1967. From 1968 to 1976 he served as a full-time Assistant and Associate Professor of the Faculty of Law at the University of British Columbia and practiced corporate, securities and natural resources law as an associate and/or partner in the Vancouver law firm of DuMoulin Black from 1976 to 2006. He provides consulting services to the Company through his company; Kent Avenue Consulting Ltd. Mr. Berner is a Director of several junior mineral exploration companies.

Gerald Feldman is a director of the Company. Mr. Feldman is a Chartered Accountant and is the Vice-President of Corporate Development of Pinetree Capital Ltd. and the CFO of each of Pinetree Capital Ltd., Brownstone Ventures Inc. and Mega Uranium Ltd.

Ronald Lang is a director of the Company. Mr. Lang is a businessman and consultant with over twenty years' experience working with companies in the junior resource sector.

Mr. Melrose is a graduate of the University of Waterloo, Ontario and has over 30 years' experience as an exploration and mine geologist. He has been involved in all aspects of exploration from grass roots to the mine definition/feasibility stage and open pit mine geology. Mr. Melrose has worked globally with Cameco/Centerra's Gold companies' exploration departments spending over two decades in Canada, the USA, and Kazakhstan. He also served as Exploration Manager at the Kumtor Gold Mine in the Kyrgyz Republic where he was directly responsible for the discovery of the high grade SB Zone, significantly increasing the reserves and resources of the Kumtor Mine and extending its life of mine. Mr. Melrose served VP, Exploration, Minco Silver Corporation, where his responsibilities included managing the exploration program which increased and defined 157 million ounces of silver at the Fuwan project. Mr. Melrose then advanced Fuwan through the initial Preliminary Economic assessment stage to the completion of a successful and positive Feasibility Study. In addition Mr. Melrose also served as VP Exploration for Minco Gold Corporation, adding 1 million ounces to the resources (all categories) of the Changkeng gold property by December 31, 2008. Currently Mr. Melrose serves as the President, CEO and Director of Riverstone Resources Inc.

Executive officers are appointed by the Board of Directors to serve until terminated by the Board of Directors or until their successors are appointed. Certain of the directors serve as directors of other reporting companies and if a conflict of interest arises at a meeting of the Board of Directors, any director in a conflict will declare his interest and abstain from voting on such matter. All directors have a term of office expiring at the next annual general meeting of Cream.

Family Relationships

There are no family relationships among any of the persons named above.

Arrangements

There are no arrangements or understandings regarding the selection of any of the persons named above.

B. Compensation and Discussion Analysis

Compensation of Executive Officers

“Named Executive Officer” (“NEO”) means each of the following individuals:

- (a) A Chief Executive Officer (“CEO”) or one who acted in a capacity similar to a chief executive officer, for any part of the financial year ended March 31, 2012;
- (b) A Chief Financial Officer (“CFO”) or one who acted in a capacity similar to a chief executive officer, for any part of the financial year ended March 31, 2012;
- (c) Each of the three most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually, more than \$150,000 for that financial year; and
- (d) Each individual who would be a NEO under paragraph (c) but for the fact that the individual was neither an executive officer of the Company, nor acting in a similar capacity, as at the financial year ended March 31, 2012.

The Company had three NEOs during the year. The following disclosure sets out the compensation that the Board intended to pay, make payable, award, grant, give or otherwise provide to each NEO and director for the financial year ended March 31, 2012.

Compensation of Directors and NEOs

The Company’s Corporate Governance and Compensation Committee (“CGCC”) has responsibility for reviewing compensation for the Company’s directors and senior management. The independent directors are encouraged to meet at any time they consider necessary without any members of management including the non-independent directors being present. The Company’s auditors, legal counsel and employees may be invited to attend. The independent directors exercise their responsibilities for independent oversight of management through a strong CGCC. The Board has appointed Mr. Sargent H. Berner as Chairman of the Corporate Governance and Compensation Committee to assist the Board in being effective, cohesive and independent from management.

To determine compensation payable, the CGCC reviews compensation paid for directors and NEOs of companies of similar size and stage of development in the mineral exploration industry and determines an appropriate compensation reflecting the need to provide incentive and compensation for the time and effort expended by the directors and senior management while taking into account the financial and other resources of the Company. In setting the compensation, the CGCC annually reviews the performance of the NEOs in light of the Company’s objectives and considers other factors that may have impacted the success of the Company in achieving its objectives and financial resources.

The Company’s compensation policies and its stock option plan (the “Stock Option Plan”) are intended to assist the Company in attracting, retaining and motivating Directors, officers and employees of the Company and of its subsidiaries and to closely align the personal interests of such directors, officers and employees with those of the shareholders by providing them with the opportunity, through stock options, to acquire shares in the capital of the Company.

Option-Based Awards

The Board of Directors of the Company implemented a stock option plan, as amended (the "Plan"), effective June 23, 2011, which was approved by the TSX Venture Exchange and the shareholders of the Company on November 17, 2011, at the Company's Annual General Meeting on that date. The number of shares which may be issued pursuant to options previously granted and those granted under the Plan is a maximum of 10% of the issued and outstanding shares at the time of the grant. In addition, the number of shares which may be reserved for issuance to any one individual may not exceed 5% of the issued shares on a yearly basis or 2% if the optionee is engaged in investor relations activities or is a consultant. Under the TSX Venture Exchange policy, all such rolling stock option plans which set the number of common shares issuable under the plan at a maximum of 10% of the issued and outstanding common shares must be approved and ratified by shareholders on an annual basis.

In accordance with good corporate governance practices and as recommended by Canadian National Policy 51-201 *Disclosure Standards*, the Company imposes black-out periods restricting the trading of its securities by directors, officers, employees and consultants during periods surrounding the release of annual and interim financial statements and at other times when deemed necessary by management and the Board. In order to ensure that Optionees are not prejudiced by the imposition of such black-out periods, the Plan includes a provision to the effect that any outstanding options with an expiry date that falls during a management imposed black-out period or within five days thereafter will be automatically extended to a date that is ten trading days following the end of the black-out period.

The Plan provides that if a change of control (as defined therein) occurs, or if the Company is subject to a take-over bid, all shares subject to stock options shall immediately become vested and may thereupon be exercised in whole or in part by the Optionees. The Board may also accelerate the expiry date of outstanding stock options in connection with a take-over bid.

The Plan contains a provision that, if pursuant to the operation of the plan's adjustment provisions, in respect of options granted under the Plan (the "Subject Options"), an optionee receives options to purchase securities of another company (the "New Company"), such new options shall expire on the earlier of: (i) the expiry date of the Subject Options; (ii) if the optionee does not become an eligible person in respect of the New Company, the date that the Subject Options expire pursuant to the applicable provisions of the Plan relating to expiration of options in cases of death, disability or termination of employment discussed in the preceding paragraph above (the "Termination Provisions"); (iii) if the optionee becomes an eligible person in respect of the New Company, the date that such new options expire pursuant to the terms of the New Company's stock option plan that correspond to the Termination Provisions; and (iv) the date that is one (1) year after the Optionee ceases to be an eligible person in respect of the New Company or such shorter period as determined by the Board.

The Plan allows the Board to impose vesting provisions and provides that, unless otherwise specified at the time of grant, all options shall vest and become exercisable in full immediately upon grant of such options. However, as required by the policies of the Exchange, options granted to Optionees performing Investor Relations Activities must vest in stages over 12 months with no more than ¼ of such options vesting in any three month period.

The purpose of the Plan is to allow the Company to grant options to directors, officers, employees and service providers, as an incentive for performance, and as an opportunity to participate in the success of Cream. The granting of such options is intended to align the interests of such persons with that of the shareholders. Options are exercisable over periods of up to ten years as determined by the board of directors of Cream and are required to have an exercise price no less than the market price as defined in the Plan prevailing on the day that the option is granted. Pursuant to the Plan, the board of directors may from time to time authorize the issue of options to directors, officers and employees of and consultants to Cream and its subsidiaries or employees of companies providing management services to Cream or its subsidiaries.

At March 31, 2012, and at July 29, 2012, the maximum number of common shares which may be issued pursuant to stock options granted under the Plan is equal to 10% of the issued and outstanding common shares at the respective dates, or 15,264,291 and 15,534,058, respectively. A total of 11,386,500 and 9,985,000 stock options were outstanding at March 31, 2012 and July 29, 2012, respectively.

During the year ended March 31, 2012, 2,300,000 options were granted at an average price of \$0.19 per share and 100,000 options were exercised at a price of \$0.12 per share. Subsequent to March 31, 2012, no options were granted or exercised.

The Board of Directors generally grants options to corporate executives on the recommendation of the CGCC. As part of its annual work plan, the CGCC reviews, among other things, executive compensation and makes appropriate recommendations to the board regarding such compensation, including but not limited to the grant of options. Options may be granted at other times of the year to individuals commencing employment with the Company.

Summary Compensation Table

The compensation paid to the NEOs during the Company's most recently completed financial year ended March 31, 2012, is as set out below:

NEO Name and Principal Position	Year ⁽¹⁾	Salary (\$)	Share-Based Awards (\$)	Option-Based Awards ⁽²⁾ (\$)	Non-Equity Incentive Plan Compensation (\$)		Pension Value (\$)	All Other Compensation (\$)	Total Compensation (\$)
					Annual Incentive Plans	Long-term Incentive Plans			
Frank A. Lang ⁽³⁾ Former Chairman (retired)	2012	Nil	N/A		N/A	N/A	N/A	Nil	
	2011	Nil	N/A	117,553	N/A	N/A	N/A	Nil	122,984
	2010	Nil	N/A	Nil	N/A	N/A	N/A	Nil	Nil
Michael E. O'Connor ⁽⁶⁾ President and CEO	2012	180,000	N/A	Nil	N/A	N/A	N/A	29,743	209,743
	2011	180,000	N/A	293,882	N/A	N/A	N/A	125,631 ⁽⁵⁾	547,013
	2010	110,000 ⁽⁷⁾	N/A	Nil	N/A	N/A	N/A	5,248	115,248
Angela Yap ⁽⁸⁾ CFO and Corporate Secretary	2012	66,667	N/A	104,427	N/A	N/A	N/A	19,000	190,094
Shannon M. Ross ⁽⁸⁾ Former CFO and Corporate Secretary	2012	Nil	N/A	Nil	N/A	N/A	N/A	Nil	Nil
	2011	55,411	N/A	Nil	N/A	N/A	N/A	Nil	55,411
	2010	30,062 ⁽⁷⁾	N/A	Nil	N/A	N/A	N/A	1,234 ⁽⁵⁾	31,296

(1) Financial years ended March 31, 2010, March 31, 2011 and March 31, 2012, respectively.

(2) The "grant date fair value" of options granted during the year is determined by using the Black-Scholes model, as described below, and the following assumptions: stock price - \$0.16-\$0.23, exercise price - \$0.16-\$0.23, an option life of 5.0 years, a risk-free interest rate of 2.09-2.30% and a volatility of 104.44-113.50%. Please see the table under "Incentive Plan Awards" for the 'in-the-money' value of these options on March 31, 2010 and 2011.

(3) Mr. Lang resigned as President and CEO of the Company and assumed the position of Non-Executive Chairman of the Company on October 7, 2009. Mr. Lang resigned as a director and Non-Executive Chairman on June 23, 2011.

(4) Management fees that are payable to Lang Mining Corporation, a private company controlled by Mr. Lang. (See "Management Contracts" below). Of this amount, \$60,000 is payable for Mr. Lang's services as the former President and CEO of the Company, and \$30,000 for fees paid to December 31, 2008.

(5) Includes any health, dental, parking, group plan insurance benefits and professional fees paid by the Company on behalf of the NEO.

(6) Mr. O'Connor was appointed President and CEO of the Company on October 7, 2008.

(7) Represents salary paid through Quorum Management and Administrative Services Inc.

(8) Ms. Ross resigned as CFO on May 30, 2011. Angela Yap was hired as CFO on May 30, 2011.

Cream had a management contract with Lang Mining Corporation for the services of Frank A. Lang. Compensation was paid to Lang Mining at \$10,000 per month up to December 31, 2008. All monies owing to Lang Mining Corporation including accrued and unpaid interest was paid before the end of fiscal 2011.

In the year ended March 31, 2012, \$565,319 (2011 - \$529,434; 2010 - \$405,026) in management, administrative, geological and other services have been provided by Quorum on a cost recovery basis to the various entities currently sharing certain personnel costs, office space, and overhead with the Company. The Company has a 1/3 interest in Quorum. Three months of estimated working capital is required to be on deposit with Quorum under the terms of the services agreement. At March 31, 2012, the Company had a receivable from Quorum of 189,963 (2011 - \$23,925 receivable).

As part of its annual work plan, the CGCC reviews, among other things, executive compensation and makes appropriate recommendations to the board regarding such compensation.

Incentive Plan Awards

Outstanding Share-Based Awards and Option-Based Awards

The following table sets out all share-based awards and option-based awards outstanding as at the financial year ended March 31, 2012, for each NEO:

Name	Option-based Awards				Share-based Awards ⁽³⁾	
	Number of Securities Underlying Unexercised Options	Option Exercise Price (\$)	Expiry Date	Value of Unexercised in-the money Options ⁽²⁾ (\$)	Number of Shares or Units of Shares that have not Vested (#)	Market or Payout Value of Share-based Payments that have not Vested (\$)
Frank A. Lang ⁽¹⁾	270,000	0.50	April 16, 2012	Nil	N/A	N/A
	100,000	0.12	February 12, 2014	12,000	N/A	N/A
	400,000	0.38	March 4, 2016	Nil	N/A	N/A
Michael E. O'Connor	1,000,000	0.12	February 12, 2014	120,000	N/A	N/A
	1,000,000	0.38	March 4, 2016	Nil	N/A	N/A
Angela Yap	600,000	0.22	June 1, 2016	12,000	N/A	N/A
Shannon M. Ross ⁽³⁾	Nil		N/A	N/A	N/A	N/A

(1) Mr. Lang resigned from the Board on June 23, 2011 and will not stand for re-election at the Meeting.

(2) This amount is calculated based on the difference between the market value of the shares underlying the options at March 31, 2012, the end of the most recently completed financial year, which was \$0.24, and the exercise price of the options.

(3) Ms. Ross resigned as CFO on May 30, 2011.

(4) The Company does not have incentive plan awards other than option-based awards.

Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets out all incentive plans (value vested or earned) during the financial year ended March 31, 2012, for each NEO:

Name	Option-based awards – Value vested during the year ⁽¹⁾ (\$)	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year ⁽²⁾ (\$)
Frank A. Lang	Nil ⁽²⁾	N/A	N/A
Michael E. O'Connor	Nil ⁽²⁾	N/A	N/A
Angela Yap	104,427 ⁽²⁾	N/A	N/A
Shannon M. Ross	NIL ⁽²⁾	N/A	N/A

Notes:

- (1) The aggregate dollar value that would have been realized if the options had been exercised on the vesting date, based on the difference between the market price of the underlying securities at exercise and the exercise price of the options on the vesting date.
- (2) The Company does not have Incentive Plan Awards in place other than option-based awards.

Discussion

The Company accounts for stock options issued to employees at the fair value determined on the grant date using the Black-Scholes option pricing model. The fair value of the options is recognized as an expense using the graded vesting method where the fair value of each tranche is recognized over its respective vesting period. When stock options are forfeited prior to becoming fully vested, any expense previously recorded is reversed.

Share-based payments made to non-employees are measured at the fair value of the goods or services received or the fair value of the equity instruments issued, if it is determined that the fair value of the goods or services cannot be reliably measured. These payments are recorded at the date the goods and services are received.

Warrants issued are recorded at estimated fair values determined on the grant date using the Black-Scholes model. If and when the stock options or warrants are ultimately exercised, the applicable amounts of their fair values in the reserves account are transferred to share capital.

See “Option Based Awards” and “Securities Authorized for Issuance under Equity Compensation Plans” for further information on the Stock Option Plan.

The Company does not have Incentive Plan Awards, pursuant to which cash or non-cash compensation intended to serve as an incentive for performance (whereby performance is measured by reference to financial performance or the price of the Company’s securities) was paid.

Pension Plan Benefits*Defined Benefit Plan or Defined Contribution Plan*

The Company has no pension plans for NEOs that provide for payment or benefits at, following, or in connection with retirement.

Deferred Compensation Plans

The Company has no deferred compensation plan for NEOs.

Termination and Change in Control Benefits

The Company and its subsidiaries have no contract, agreement plan or arrangement that provides for payment to a NEO at, following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement, a change in control of the Company or a change in an NEO’s responsibilities, with the exception of the following:

The contract of Michael E. O'Connor provides for payment to Mr. O'Connor of a minimum severance allowance if the Company should terminate the employment agreement without cause or Mr. O'Connor should terminate the agreement for good cause. The minimum severance allowance would be calculated as one year's salary as in effect as at the termination date plus Mr. O'Connor's average annual bonus, calculated as the average of the annual bonus, if any, paid for the three years prior to the termination date, and benefits will be covered, other than disability insurance coverage or comparable alternate benefits, for the same period as the severance. Additionally, the contract provides for payment to Mr. O'Connor of the same severance allowance in certain circumstances in the event of an acquisition or change of control by another company or other similar form of transaction.

The contract of Ms. Yap provides for the same terms as Mr. O'Connor except that Ms. Yap's contract is with both Cream and Quorum.

Director Compensation

On June 23, 2011 the Board of Directors approved a resolution to compensate all Directors of the Company, with the exception of two non-independent directors, Mr. O'Connor and Mr. Holcapek, as follows:

Chairman and Chair of the Audit Committee	\$15,000 per year
Other Directors	\$10,000 per year
Attendance at directors meetings	\$250 per meeting

In addition, directors are entitled to reimbursement for reasonable travel and other out-of-pocket expenses incurred in connection with attendance at meetings of the Board of Directors. The Board of Directors may award special remuneration to any director undertaking any special services on behalf of the Company other than services ordinarily required of a director. This is subject to recommendation by the Compensation and Corporate Governance committee.

Director Compensation Table

The following table sets out all amounts of compensation provided to the directors who are not NEOs for the Company's most recently completed financial year:

Name	Fees earned (\$)	Share-based awards (\$)	Option-based awards (\$)	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total (\$)
Ferdinand Holcapek	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil	\$120,000	\$120,000
Robin Merrifield	\$12,250	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil	\$12,250
Sargent H. Berner ⁽¹⁾	\$8,500	\$Nil	\$Nil	\$Nil	\$Nil	\$22,500	\$31,000
Gerald Feldman	\$8,500	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil
Hebb, Christopher	\$12,250	\$Nil	\$50,174	\$Nil	\$Nil	\$Nil	\$62,424
Melrose, Dwayne	\$8,500	\$Nil	\$50,174	\$Nil	\$Nil	\$Nil	\$58,674
Lang, Ronald	\$8,500	\$Nil	\$50,174	\$Nil	\$Nil	\$Nil	\$58,674

Notes:

(1) Consulting fees were paid or are accrued, indirectly to Kent Avenue Consulting Ltd., a private company.

Outstanding Share-based Awards and Option-based Awards

The following table sets out all option-based awards outstanding as at the financial year ended March 31, 2012, for each director, excluding two directors whose awards are already provided in the disclosure for NEOs for the Company:

Name	Option-based Awards				Share-based Awards	
	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	Value of Unexercised in-the-money Options ⁽¹⁾ (\$)	Number of Shares or Units of Shares that have not Vested ⁽²⁾ (#)	Market or Payout Value of Share-based Awards that have not Vested ⁽²⁾ (\$)
Ferdinand Holcapek	175,000	0.50	April 18, 2012	12,000	N/A	N/A
	100,000	0.12	February 12, 2014			
	800,000	0.38	March 4, 2016			
Robin Merrifield	75,000	0.50	April 16, 2012	12,000	N/A	N/A
	100,000	0.12	February 12, 2014			
	400,000	0.38	March 4, 2016			
Sargent H. Berner	160,000	0.50	April 16, 2012	12,000	N/A	N/A
	100,000	0.12	February 12, 2014			
	400,000	0.38	March 4, 2016			
Gerald M. Feldman	400,000	0.38	March 4, 2016	Nil	N/A	N/A
Hebb, Christopher	400,000	0.16	June 23, 2016	32,000	N/A	N/A
Melrose, Dwayne	400,000	0.16	June 23, 2016	32,000	N/A	N/A
Lang, Ronald	400,000	0.16	June 23, 2016	32,000	N/A	N/A

(1) This amount is calculated based on the difference between the market value of the shares underlying the options at March 31, 2012, the end of the most recently completed financial year, which was \$0.24, and the exercise price of the options.

(2) The Company does not have incentive plan awards in place other than option-based awards.

Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets out all incentive plans (value vested or earned) during the financial year ended March 31, 2012, for each director, excluding a director who is already set out in disclosure for a NEO for the Company:

Name	Option-based Awards – Value Vested During the Year ⁽¹⁾⁽²⁾⁽³⁾ (\$)	Share-based Awards – Value Vested During the Year ⁽³⁾ (\$)	Non-equity Incentive Plan Compensation – Value Earned During the Year ⁽³⁾ (\$)
Ferdinand Holcapek	\$Nil	N/A	N/A
Robin Merrifield	\$Nil	N/A	N/A
Sargent H. Berner	\$Nil	N/A	N/A
Gerald M. Feldman	\$Nil	N/A	N/A
Christopher Hebb	\$50,174	N/A	N/A
Dwayne L. Melrose	\$50,174	N/A	N/A
Ronald Lang	\$50,174	N/A	N/A

(1) The aggregate dollar value that would have been realized if the options had been exercised on the vesting date, based on the difference between the market price of the underlying securities at exercise and the exercise price of the options on the vesting date.

(2) Under the terms of the Plan, all options vest upon the grant date.

(3) The Company does not have incentive plan awards in place other than option-based awards.

Securities Authorized for Issuance under Equity Compensation Plans

Equity Compensation Plan Information

	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
Plan Category ⁽¹⁾	(a)	(b)	(c)
Equity compensation plans approved by security holders ⁽²⁾	11,386,500	\$0.32	3,877,791
Equity compensation plans not approved by security holders	NIL	NIL	NIL
Total	11,386,500	\$0.32	3,877,791

⁽¹⁾ The only “equity compensation plan” in place is the Company’s stock option plan. See “Option Based Awards” above.

⁽²⁾ As at March 31, 2012.

Indebtedness of Directors and Executive Officers

None of the directors, executive officers, or associates of any such person, has been indebted to the Company at any time during the most recently completed financial year.

Aggregated Options Exercises during the Most Recently Completed Financial Year

None.

C. BOARD PRACTICES

All directors of Cream at July 29, 2011 were elected at the November 17, 2011 annual general meeting for a term of office expiring at the next annual general meeting of Cream. All officers have a term of office lasting until their removal or replacement by the Board of Directors.

An “independent” director under the TSX governance guidelines is a director who is independent from management and is free from any interest and any business or other relationship which could materially interfere with his or her ability to act in the best interest to the Company other than interests arising from shareholding. Where a company has a significant shareholder, in addition to a majority of “independent” directors, the Board should include a number of directors who do not have interest or relationships with either the Company or the significant shareholder. The Board currently consists of eight directors, six of whom are independent based upon the tests for independence set forth in Canadian National Instrument 52-110. Robin M. Merrifield, Sargent H. Berner, Gerald M. Feldman, Ronald Lang, Christopher Hebb and Dwayne Melrose are independent. Michael E. O'Connor is not independent as he is the President and CEO of the Company. Ferdinand Holcapek is not independent as he receives consulting fees from the Company and is the Sole Administrator and Director General of the Company's wholly-owned subsidiary. Sargent Berner currently receives consulting fees for services through a private company, Kent Avenue Consulting Ltd.

Except as set out below, no director and/or executive officer has been the subject of any order, judgment, or decree of any governmental agency or administrator or of any court of competent jurisdiction, revoking or suspending for cause any license, permit or other authority of such person or of any corporation of which he is a director and/or executive officer, to engage in the securities business or in the sale of a particular security or temporarily or permanently restraining or enjoining any such person or any corporation of which he is an officer or director from engaging in or continuing any conduct, practice or employment in connection with the purchase or sale of securities, or convicting such person of any felony, or misdemeanor involving a security or in any aspect of the securities business of theft. In fiscal 2009 and fiscal 2010, Sargent H. Berner was a director of ValGold Resources Ltd., while such company was subject to a Management Cease Trade Order for failure to file financial statements in a timely manner.

There are no director's services contracts with the Company providing for benefits upon termination of employment except for benefits to Mr. O'Connor as set out under "Termination and Change of Control Benefits" above. Cream and its subsidiaries have no compensatory plan or arrangement in respect of compensation received or that may be received by the directors of the Company in its most recently completed or current financial year to compensate such directors in the event of termination as director (resignation, retirement) or in the event of a change in control. There are no arrangements or understandings with any two or more directors or executive officers pursuant to which he was selected as a director or executive officer. Other than as disclosed in related party transactions, fees payable to Directors as disclosed above under "Director Compensation", and salaries for executive officers, there is no compensation paid to outside directors other than stock-based compensation.

The following information is provided with respect to the Company's directors, and members of its administrative, supervisory or management body and includes the date of expiration of the current term of office and the period during which the person has served in that office.

Name	Position(s) with Company	Term of Office/Period of Service
Christopher H. Hebb	Chairman Director	Since June 23, 2011 Since June 23, 2011
Michael E. O'Connor	President Chief Executive Officer Director	Since October 2, 2008 Since October 2, 2008 Since October 2, 2008
Angela Yap	Chief Financial Officer Corporate Secretary	Since May 30, 2011 Since February 24, 2012
Ferdinand Holcapek	Director Sole Administrator, Cream Minerals de Mexico, S.A. de C.V.	Since October 10, 2001 Since December 1999
Robin Merrifield	Director Chair, Audit Committee	Since September 21, 2004 Since September 21, 2004
Sargent H. Berner	Director Chair – Corporate Governance & Compensation Committee	Since January 23, 1996 Since January 23, 1996
Gerald Feldman	Director	Since December 21, 2010
Ronald Lang	Director	Since June 23, 2011 1989 to 2005
Dwayne Melrose	Director	Since June 23, 2011
Frank A. Lang	Non-Executive Chairman President & Chief Executive Officer Director	October 2, 2008 to June 23, 2011 October 12, 1966 to October 2, 2008 September 25, 2002 to October 2, 2008 October 12, 1966 to June 23, 2011
C. Douglas Lang	Director	May 30, 2006 to November 9, 2010
Arthur G. Troup	Vice President, Exploration Director	September 24, 1987 to October 23, 2009 September 25, 1997 to November 8, 2010
Shannon M. Ross	Chief Financial Officer & Corporate Secretary	January 31, 2000 to May 30, 2011

Audit Committee

Robin Merrifield, Gerald Feldman, and Christopher Hebb are the current members of Cream's audit committee. The audit committee is appointed annually by the directors of Cream at the first meeting of the board held after Cream's annual general meeting. Its primary function is to review the financial statements of Cream before they are submitted to the board for approval. The audit committee is also available to assist the board if required with matters relating to the appointment of Cream's auditor and the overall scope and results of the audit, internal financial controls, and financial information for publication for various purposes.

Corporate Governance and Executive Compensation Committee

Members of the Corporate Governance and Executive Compensation Committee are Messrs. Feldman, Berner and Merrifield. The committee was formed for making recommendations to the board with respect to developments in the area of corporate governance, the practices of the board, finding appropriate candidates for nomination to the board and for evaluating the performance of the board, and senior executives and making recommendations as to their compensation.

D. EMPLOYEES

At March 31, 2012, Cream had one employee, Michael O'Connor, the President and CEO, in its head office and otherwise contracts staff on an as-needed basis. Cream's functions are primarily administered through Quorum (see Item 7) .Ms. Angela Yap is the CFO of Cream and Quorum, but is an employee of Quorum only. Quorum charges Cream for Ms. Yap's services. Cream Minerals de Mexico, S.A. de C.V., Cream's subsidiary in Mexico has less than five employees and Mr. Holcapek is engaged as a consultant.

E. SHARE OWNERSHIP

See Item 6A. – “Directors and Senior Management”.

The following table sets forth, as at March 31, 2012, all stock options held by the directors and members of senior management of the Company, including the number of common shares issuable upon the valid exercise of the options, the exercise price and expiration date of the options.

Name and Title of Optionholder	Number of Shares Underlying Options	Title of Class	Exercise Price (\$)	Expiry Date
Directors and Officers of Cream and Subsidiaries				
Chris Hebb Non-Executive Chairman	400,000	Common	0.16	June 23, 2016
Frank A. Lang Former Non-Executive Chairman	270,000	Common	0.50	April 16, 2012
	100,000	Common	0.12	February 12, 2014
	400,000	Common	0.38	March 4, 2016
	770,000			
Michael E. O’Connor President and Chief Executive Officer	1,000,000	Common	0.12	February 12, 2014
	1,000,000	Common	0.38	March 4, 2016
	2,000,000			
Angela Yap Chief Financial Officer	600,000	Common	0.22	June 1, 2016
Robin Merrifield Director	75,000	Common	0.50	April 16, 2012
	100,000	Common	0.12	February 12, 2014
	400,000	Common	0.38	March 4, 2016
	575,000			
Sargent H. Berner Director	160,000	Common	0.50	April 16, 2012
	100,000	Common	0.12	February 12, 2014
	400,000	Common	0.38	March 4, 2016
	660,000			
Gerald Feldman Director	400,000	Common	0.38	March 4, 2016
Ron Lang Director	400,000	Common	0.16	June 23, 2016
Dwayne Melrose Director	400,000	Common	0.16	June 23, 2016
Total Directors/Officers (9 persons)				
Total Employees/Consultants (persons)		Common	\$0.12 to \$0.50	April 16, 2012 to June 23, 2016
Total Directors/Officers/ Employees/ Consultants (21 persons)				

ITEM 7. MAJOR SHAREHOLDERS AND RELATED PARTY TRANSACTIONS**A. Major Shareholders**

The Company is a publicly traded corporation, incorporated in the province of British Columbia, the registered shareholders of which include residents of the United States, residents of Canada and other foreign residents. To the extent known by the directors and executive officers of the Company, the Company is not directly or indirectly owned or controlled by another corporation.

To the knowledge of the directors and executive officers of the Company as at July 29, 2012, there are no holders of 5% or more of the common shares of Cream, except as set out below:

Name of Shareholder	Number of Shares held, directly and indirectly, at July 29, 2012	% of Issued and Outstanding Shares at July 29, 2012
Sprott Asset Management	24,500,000	15.77%
Pinetree Capital Ltd.	23,772,500	15.30%
Frank A. Lang	26,582,617	17.11%

The above information was obtained from Targeted Inc.

All shareholders, including major and/or controlling shareholders have the same voting rights with respect to the issued common shares.

Cream's securities are recorded on the books of its transfer agent in registered form, however, the majority of such shares are registered in the name of intermediaries such as brokerage houses and clearing houses on behalf of their respective brokerage clients, and Cream does not have knowledge of or access to information about the beneficial owners thereof. To the best of its knowledge, Cream is not directly or indirectly owned or controlled by a corporation or foreign government. As of July 29, 2012 Cream had authorized an unlimited number of common shares without par value of which 155,340,582 were issued and outstanding.

As of July 29, 2011, there were 269 registered shareholders of record holding a total of 155,340,582 common shares of Cream. To the best of Cream's knowledge there were 81 registered shareholders of record with registered addresses in Canada, 182 shareholders of record with registered addresses in the United States and 6 shareholders of record with registered addresses in other countries holding approximately 153,593,563 (98.88%), 1,644,533(1.06 %) and 102,486 (0.07%) of the outstanding common shares, respectively. Shares registered in the name of intermediaries are assumed to be held by residents of the same country in which the clearing-house was located.

The Company is not aware of any arrangements between shareholders or other persons which may result in a change of control of the Company.

B. Related Party Transactions

No director or senior officer, and no associate or affiliate of the foregoing persons, and no insider has or has had any material interest, direct or indirect, in any transactions, or in any other proposed transaction, during the year ended March 31, 2012, except as noted below.

Commencing August 1, 2001, management, administrative, geological and other services have been provided by Quorum, a private company held jointly by the Company and other public companies, to provide services on a cost recovery basis to the various public entities currently sharing office space with the Company. Currently the Company has a 1/3 interest in Quorum and is using the equity method to account for its investment. Three months of working capital is required to be on deposit with Quorum under the terms of the services agreement. All transactions are conducted in an arms-length manner. During the years ended March 31, 2012, 2011, and 2010, \$565,319, \$529,434, and \$405,026 were paid to Quorum, respectively. These totals include salaries and benefits and full cost recoveries for rent and other administrative costs.

Consulting fees of \$22,500 (2011 - \$30,000; 2010 - \$30,000) were paid or are payable to Kent Avenue Consulting Ltd., a private company controlled by Sargent H. Berner, for consulting services during the year. These amounts were paid to Quorum which then paid Kent Avenue Consulting Ltd. as a function of the management and administrative services provided to the Company by Quorum.

Fees were paid to Fred Holcapek, a director of the Company and an officer of the subsidiary in Mexico, for administrative and geological services, for a total of \$120,000 (2011 - \$141,838; 2010 - \$52,299).

The Company's investments in public companies include shares of Emgold Mining Corporation, Sultan Minerals Inc. ("Sultan") and ValGold Resources Ltd. ("ValGold"), each being companies with directors and management in common with the Company. The Company also holds interests in the Stephens Lake Property (Trout Lake Claims) jointly with Sultan and ValGold. The marketable securities held by the Company were sold in fiscal 2012.

Balances payable to related parties, and balances receivable from related parties are non-interest bearing and due on demand.

C. Interests of Experts and Counsel

Not applicable.

ITEM 8. FINANCIAL INFORMATION

A. Consolidated Statements and Other Financial Information

See "Item 17 - Financial Statements". The consolidated financial statements as required are found at Exhibit F-1 to this Annual Report. The audit report of Morgan & Company, independent Chartered Accountants, is included immediately preceding the consolidated financial statements.

Legal Proceedings

Cream is not involved in any litigation or legal proceedings and to Cream's knowledge no material legal or arbitration proceedings involving Cream or its subsidiary are threatened.

Dividend Policy

Cream has not paid any dividends on its outstanding common shares since its incorporation and does not anticipate that it will do so in the foreseeable future. All funds of Cream are being retained for working capital and exploration of its Projects.

B. Significant Changes

There are no significant changes of financial condition since the most recent audited financial statements filed with this Annual Report. Interim financial statements are incorporated into the financial statements included herein.

ITEM 9. THE OFFER AND LISTING

A. Offer and Listing Details

i) Trading Markets

The tables below list the high and low prices for common shares of the Company on the TSX Venture Exchange and the OTCBB for the past five years on an annual basis, two years on a quarterly basis and for the six months up to the filing date of this Annual Report (July 29, 2012):

TSX Venture Exchange: CMA – Trading in Canadian Dollars

	High (\$)	Low (\$)
Annual		
2012 (to July 29, 2012)	0.285	0.085
2011	0.48	0.14
2010	0.27	0.05
2009	0.14	0.06
2008	0.47	0.05
2007	1.38	0.34

TSX Venture Exchange: CMA – Trading in Canadian Dollars

	High (\$)	Low (\$)
Calendar 2012		
First Quarter	0.29	0.22
Second Quarter	0.25	0.09
Third Quarter (to July 29, 2012)	0.12	0.085
Calendar 2011		
First Quarter	0.48	0.20
Second Quarter	0.37	0.14
Third Quarter	0.24	0.14
Fourth Quarter	0.30	0.15
Calendar 2010		
First Quarter	0.11	0.08
Second Quarter	0.11	0.06
Third Quarter	0.13	0.05
Fourth Quarter	0.27	0.11
Month ended		
July 29, 2012	0.24	0.16
June 30, 2012	0.24	0.13
May 31, 2012	0.29	0.17
April 30, 2012	0.38	0.24
March 31, 2012	0.48	0.30
February 28, 2012	0.38	0.22
January 31, 2012	0.29	0.15

The high, low and closing price of the Company's common stock on the TSX Venture Exchange on July 29, 2012, was Cdn\$0.095, Cdn\$0.09 and Cdn\$0.095 respectively. The Company's common stock is issued in registered form.

OTCBB: CRMXF – Trading in US Dollars

	High (\$)	Low (\$)
Annual		
2012 (to July 29, 2012)	0.28	0.085
2011	0.46	0.14
2010	0.27	0.05
2009	0.25	0.02
2008	0.51	0.02
2007	1.38	0.30

OTCBB: CRMXF – Trading in US Dollars

	High (\$)	Low (\$)
Calendar 2011		
First Quarter	0.46	0.20
Second Quarter	0.39	0.13
Third Quarter (to Sept 29, 2011)	0.26	0.15
Calendar 2010		
First Quarter	0.11	0.06
Second Quarter	0.11	0.08
Third Quarter	0.14	0.05
Fourth Quarter	0.27	0.08
Month ended		
July 29, 2012	0.25	0.16
June 30, 2012	0.25	0.13
May 31, 2012	0.30	0.17
April 30, 2012	0.39	0.25
March 31, 2012	0.46	0.29
February 28, 2012	0.39	0.22
January 31, 2012	0.30	0.20

The high, low and closing price of the Company's common stock on the OTCBB on July 29, 2012, was Cdn\$0.10, Cdn\$0.10 and Cdn\$0.10 respectively. The Company's common stock is issued in registered form.

B. Plan of Distribution

Not applicable.

C. Markets

The shares of Cream have traded in Canada on the TSX Venture Exchange (formerly the Canadian Venture Exchange and successor to the Vancouver Stock Exchange) since June 3, 1970, (symbol-CMA). Since October 5, 1999, Cream's shares have traded on the over-the-counter market ("OTC-BB") in the United States (symbol-CRMXF.OB). They also trade on the Frankfurt Exchange under the symbol "DFL".

D. Selling Shareholders

Not applicable.

E. Dilution

Not applicable.

F. Expenses of the Issue

Not applicable.

ITEM 10. ADDITIONAL INFORMATION

A. Share Capital

Shareholder Rights Plan

Effective May 24, 2011, the Board of Cream adopted a Shareholder Rights Plan (the "Rights Plan"). The Rights Plan has been implemented by way of a shareholder rights plan agreement (the "Rights Plan Agreement") dated as of May 24, 2011 between the Company and Computershare Investor Services Inc., as rights agent. The Board adopted the Rights Plan to ensure, to the extent possible, that all shareholders of the Company are treated equally and fairly in connection with any take-over bid or similar offer for all or a portion of the outstanding common shares of the Company.

Background to the Rights Plan Agreement

The Rights Plan Agreement is designed to protect shareholders from unfair, abusive or coercive take-over strategies including the acquisition of control of the Company by a bidder in a transaction or series of transactions that may not treat all shareholders fairly nor afford all shareholders an equal opportunity to share in the premium paid upon an acquisition of control. The Rights Plan Agreement was adopted to provide the Board with sufficient time, in the event of a public take-over bid or tender offer for the common shares of the Company, to pursue alternatives which could enhance shareholder value. These alternatives could involve the review of other take-over bids or offers from other interested parties to provide shareholders desiring to sell the Company's common shares with the best opportunity to realize the maximum sale price for their common shares. In addition, with sufficient time, the Board would be able to explore and, if feasible, advance alternatives to maximize share value through possible corporate reorganizations or restructuring. The directors need time in order to have any real ability to consider these alternatives.

Potential Advantages of the Rights Plan Agreement

The Board believes that under the current rules relating to take-over bids and tender offers in Canada there is not sufficient time for the directors to explore and develop alternatives for the shareholders such as possible higher offers or corporate reorganizations or restructurings that could maximize shareholder value. Under current rules, a take-over bid must remain open in Canada for a minimum of 35 days. Accordingly, the directors believe the Rights Plan Agreement continues to be an appropriate mechanism to ensure that they will be able to discharge their responsibility to assist shareholders in responding to a take-over bid or tender offer.

In addition, the Board believes that the Rights Plan Agreement will encourage persons seeking to acquire control of the Company to do so by means of a public take-over bid or offer available to all shareholders. The Rights Plan Agreement will deter acquisitions by means that deny some shareholders the opportunity to share in the premium that an acquirer is likely to pay upon an acquisition of control. By motivating would-be acquirers to make a public take-over bid or offer or to negotiate with the Board, shareholders will have the best opportunity of being assured that they will participate on an equal basis, regardless of the size of their holding, in any acquisition of control of the Company.

The Rights Plan Agreement is not intended to prevent a take-over or deter fair offers for securities of the Company. The Board believes that the Rights Plan Agreement will not adversely limit the opportunity for shareholders to dispose of their common shares through a take-over bid or tender offer which provides fair value to all shareholders. The directors will continue to be bound to consider fully and fairly any bona fide take-over bid or offer for common shares of the Company and to discharge that responsibility with a view to the best interests of the shareholders.

Potential Disadvantages of the Rights Plan Agreement

Because the Rights Plan Agreement may increase the price to be paid by an acquirer to obtain control of the Company and may discourage certain transactions, confirmation of the Rights Plan Agreement may reduce the likelihood of a take-over bid being made for the outstanding common shares of the Company. Accordingly, the Rights Plan Agreement may deter some take-over bids that shareholders might wish to receive.

Term

The Rights Plan will remain in effect until termination of the annual meeting of shareholders of the Company in 2014 unless the term of the Rights Plan Agreement is terminated earlier. The Rights Plan may be extended beyond 2014 by resolution of shareholders at such meeting.

Issue of Rights

One right (a "Right") has been issued by the Company pursuant to the Rights Plan Agreement in respect of each Common Share outstanding at 4:00 p.m. (Pacific Time) on May 24, 2011 (the "Record Time"). One Right will also be issued for each additional Common Share issued after the Record Time and prior to the earlier of the Separation Time (as defined below) and the Expiration Time (as defined in the Rights Plan Agreement).

Rights Exercise Privilege

The Rights will separate from the common shares to which they are attached and become exercisable at the time (the "Separation Time") which is 10 trading days following the date a person becomes an Acquiring Person (as defined below) or announces an intention to make a take-over bid that is not an acquisition pursuant to a take-over bid permitted by the Rights Plan (a "Permitted Bid").

Any transaction or event in which a person (an "Acquiring Person"), including associates and affiliates and others acting in concert, acquires (other than pursuant to an exemption available under the Rights Plan or a Permitted Bid) Beneficial Ownership (as defined in the Rights Plan Agreement) of 20% or more of the voting shares of the Company is referred to as a "Flip-in Event". Any Rights held by an Acquiring Person on or after the earlier of the Separation Time or the first date of public announcement by the Company or an Acquiring Person that an Acquiring Person has become such, will become void and the Rights (other than those held by the Acquiring Person) will permit the holder to purchase common shares at a 50% discount to their market price. A person, or a group acting in concert, who is the beneficial owner of 20% or more of the outstanding common shares as of the Record Time is exempt from the dilutive effects of the Rights Plan.

The issuance of the Rights is not dilutive until the Rights separate from the underlying common shares and become exercisable or until the exercise of the Rights. The issuance of the Rights will not change the manner in which shareholders currently trade their common shares.

Certificates and Transferability

Prior to the close of business on the earlier of the Separation Time and the Expiration Time, the Rights will be evidenced by a legend imprinted on certificates for common shares issued after the Record Time. Rights are also attached to common shares outstanding at the Record Time, although share certificates issued prior to the Record Time will not bear such a legend. Shareholders are not required to return their certificates in order to have the benefit of the Rights. Prior to the Separation Time, Rights will trade together with the common shares and will not be exercisable or transferable separately from the common shares. From and after the Separation Time and prior to the Expiration Time, the Rights will become exercisable, will be evidenced by Rights certificates and will be transferable separately from the common shares.

Permitted Bid Requirements

The requirements of a Permitted Bid include the following:

- (a) the take-over bid must be made by means of a take-over bid circular;
- (b) the take-over bid is made to all holders of voting shares as registered on the books of the Company, other than the offeror for all of the voting shares held by them;
- (c) the take-over bid contains, and the take-up and payment for securities tendered or deposited is subject to, an irrevocable and unqualified provision that no voting shares will be taken up or paid for pursuant to the take-over bid prior to the close of business on the date which is not less than 60 days following the date of the take-over bid and only if at such date more than 50% of the voting shares held by independent shareholders shall have been deposited or tendered pursuant to the take-over bid and not withdrawn;

- (d) the take-over bid contains an irrevocable and unqualified provision that, unless the take-over bid is withdrawn, voting shares may be deposited pursuant to such take-over bid at any time during the period of time between the date of the take-over bid and the date on which voting shares may be taken up and paid for and that any voting shares deposited pursuant to the take-over bid may be withdrawn until taken up and paid for; and
- (e) the take-over bid contains an irrevocable and unqualified provision that if, on the date on which voting shares may be taken up and paid for, more than 50% of the voting shares held by independent shareholders shall have been deposited pursuant to the take-over bid and not withdrawn, the offeror will make a public announcement of that fact and the take-over bid will remain open for deposits and tenders of voting shares for not less than ten business days from the date of such public announcement.

The Rights Plan allows for a competing Permitted Bid (a "Competing Permitted Bid") to be made while a Permitted Bid is in existence. A Competing Permitted Bid must satisfy all of the requirements of a Permitted Bid except that it must expire prior to the expiry of that Permitted Bid, subject to the requirement that it be outstanding for a minimum period of 35 days in accordance with applicable securities legislation.

Waiver and Redemption

If a potential offeror does not desire to make a Permitted Bid, it can negotiate with, and obtain the prior approval of, the Board to make a take-over bid by way of a take-over bid circular sent to all holders of voting shares on terms which the Board considers fair to all shareholders. In such circumstances, the Board may waive the application of the Rights Plan thereby allowing such bid to proceed without dilution to the offeror. Any waiver of the application of the Rights Plan in respect of a particular take-over bid shall also constitute a waiver of any other take-over bid which is made by means of a take-over bid circular to all holders of voting shares while the initial take-over bid is outstanding. The Board may also waive the application of the Rights Plan in respect of a particular Flip-in Event that has occurred through inadvertence, provided that the Acquiring Person that inadvertently triggered such Flip-in Event reduces its beneficial holdings to less than 20% of the outstanding voting shares of the Company at the time of the granting of the waiver by the Board. With the prior consent of the holders of voting shares, the Board may, prior to the occurrence of a Flip-in Event that would occur by reason of an acquisition of voting shares otherwise than pursuant to a take-over made by means of a take-over bid circular to holders of voting shares, waive the application of the Rights Plan to such Flip-in Event.

The Board may, at any time prior to the occurrence of a Flip-in Event, elect to redeem all but not less than all of the then outstanding Rights at a redemption price of \$0.00001 per Right. Rights are deemed to be redeemed following completion of a Permitted Bid, a Competing Permitted Bid or a take-over bid in respect of which the Board has waived the application of the Rights Plan.

Board of Directors

Adoption of the Rights Plan does not in any way lessen or affect the duty of the Board to act honestly and in good faith with a view to the best interests of the Company. The Board, when a take-over bid or similar offer is made, will continue to have the duty and power to take such actions and make such recommendations to shareholders as are considered appropriate. It is not the intention of the Board to secure the continuance of existing directors or officers to avoid an acquisition of control of the Company in a transaction that is fair and in the best interests of the Company and its shareholders, or to avoid the fiduciary duties of the Board or of any director. The proxy mechanism of the *Business Corporations Act* (British Columbia) is not affected by the Rights Plan Agreement, and a shareholder may use his, her or its statutory rights to promote a change in the management or direction of the Company, including the right of shareholders holding not less than 5% of the outstanding common shares to requisition the Board to call a meeting of shareholders.

Amendment

The Company may, with the prior approval of shareholders (or the holders of Rights if the Separation Time has occurred), supplement, amend, vary or delete any of the provisions of the Rights Plan Agreement. The Company may make amendments to the Rights Plan Agreement at any time to correct any clerical or typographical error or, subject to confirmation at the next meeting of shareholders, make amendments which are required to maintain the validity of the Rights Plan Agreement due to changes in any applicable legislation, rules or regulations.

Existing Charter Provisions

The Notice of Articles and Articles of the Company do not contain any provisions intended by the Company to have, or, to the knowledge of the Board having, an anti-takeover effect. However, the power of the Board to issue additional common shares could be used to dilute the share ownership of person seeking to obtain control of the Company.

A copy of the Shareholder Rights Plan dated May 24, 2011 is attached as an exhibit to this Annual Report.

B. Notice of Articles

Cream's original corporate constituting documents comprising Articles of Association and Memorandum are registered with the British Columbia Registrar of Companies under Corporation No. 71412. A copy of the Articles of Association and Memorandum then in effect were filed as an exhibit with Cream's initial registration statement on Form 20-F. In 2004 the Company's existing Memorandum was replaced by a Notice of Articles. Subsequent amendments to the Company's Articles have been also filed as exhibits subsequent to the initial registration statement. On June 23, 2011 Cream adopted new Articles of Association, and these Articles are attached as an exhibit to this Annual Report.

Objects and Purposes

Cream's Articles of Incorporation do not specify objects or purposes. Under British Columbia law, a British Columbia corporation has all the legal powers of a natural person. British Columbia corporations may not undertake certain limited business activities such as operating as a trust company or railroad without alterations to its form of articles and specific government consent.

Directors – Powers and Limitations

Cream's articles do not specify a maximum number of directors (the minimum under British Columbia law for a public company is three). Shareholders at the annual shareholders meeting determine the number of directors annually and all directors are elected at that time. There are no staggered directorships. Under the British Columbia Business Corporations Act, ("BCA") directors are obligated to abstain from voting on matters in which they may be financially interested after fully disclosing such interest. Directors' compensation is not a matter on which they must abstain. Directors must be of the age of majority (18), and meet eligibility criteria including not being mentally infirm, an undischarged bankrupt, no fraud related convictions in the previous five years and a majority of directors must be ordinarily resident in Canada. There is no mandatory retirement age either under Cream's Articles or under the BCA.

Directors' borrowing powers are not generally restricted where the borrowing is in Cream's best interests. Directors need not own any shares of Cream in order to qualify as directors.

The Articles specify the number of directors shall be the number of directors fixed by shareholders annually, or the number that are actually elected at a general shareholders meeting. Shareholders at the annual shareholders' meeting determine the number of directors annually and all directors are elected at that time. Under the Articles the directors are entitled between successive annual general meetings to appoint one or more additional directors but not more than one-third of the number of directors fixed at a shareholders meeting or actually elected at the preceding annual shareholders' meeting. Directors automatically retire at the commencement of each annual meeting but may be re-elected thereat.

A director or senior officer who holds any office or possesses any property, right or interest that could result, directly or indirectly, in the creation of a duty or interest that materially conflicts with that individual's duty or interest as a director or senior officer, is required under the BCA to disclose the nature and extent of the conflict as required by the Business Corporations Act, and may be counted for the purpose of quorum requirements is required to abstain from voting on any directors' resolution to approve a contract or transaction in which he has a disclosable interest.

The new form of articles adopted by the Company in June 2011 ("Articles") update some of the terminology therein as well as incorporating some of the more flexible provisions of the BCBCA. The major changes from the existing Articles are: 1. certain changes to the Notice of Articles, Articles and share structure may be able to be made by directors' resolution or ordinary resolution of the Company's shareholders, in each case as determined by the directors. A more detailed description of this changes is provided below; 2. the directors may, by directors' resolution, approve a change of name of the Company without the necessity for shareholder approval; 3. shareholder meetings may be held by electronic means; 4. the quorum for shareholder meetings is changed from two shareholders or proxyholders present to one shareholder present in person or represented by proxy; 5. shareholder meetings may, if authorized by directors' resolution, be held in jurisdictions outside British Columbia; and 6. the Chairman of a directors' meeting does not have a casting vote, in the event of an equality of votes.

Cream is subject to the policies of the TSX Venture Exchange (the "Exchange") and compliance with Exchange policy may supersede powers granted to the Board pursuant to the Articles.

Descriptions of rights, preferences and restrictions attaching to each class of shares

Common Shares

Cream has only one class of shares, common shares without par value of which an unlimited number are authorized and 155,340,582 are outstanding as of July 29, 2012. All common shares rank pari passu for the payment of dividends and distributions in the event of wind-up.

Some of the significant provisions under British Columbia law and Cream's Articles relating to the common shares may be summarized as follows:

Capital increases and Other Changes

The Company may alter its Notice of Articles, Articles and share structure in the following manner: 1. by directors' resolution or ordinary resolution of the shareholders of the Company, in each case as determined by the directors, (a) create one or more classes or series of shares and, if none of the shares of a class or series of shares are allotted or issued, eliminate that class or series of shares and alter the identifying name of any of its shares; (b) establish, increase, reduce or eliminate the maximum number of shares that the Company is authorized to issue out of any class or series of shares; (c) if the Company is authorized to issue shares of a class of shares with par value, decrease the par value of those shares or, if none of the shares of that class of shares are allotted or issued, increase the par value of those shares; (d) change all or any of its unissued shares with par value into shares without par value or vice versa or change all or any of its fully paid issued shares with par value into shares without par value; (e) create, attach, vary or delete special rights or restrictions for the shares of any class or series of shares, if none of those shares have been issued; (f) subdivide or consolidate all or any of its unissued, or fully paid issued, shares; (g) authorize alterations to the Articles that are procedural or administrative in nature or are matters that pursuant to the Articles are solely within the directors' powers, control or authority; and (h) alter the identifying name of any of its shares. 2. if the BCBCA does not specify the type of resolution and the Articles do not specify another type of resolution, by ordinary resolution of the shareholders otherwise alter its shares or authorized share structure and, if applicable, alter its Notice of Articles and, if applicable, alter its Articles accordingly.

Certain changes such as amalgamations, re-domiciling may also give rise to rights of dissent and appraisal (the right subject to meeting certain conditions, to be paid the "fair value" determined in accordance with the BCA for their shares in cash if the matter is proceeded with).

Shares Fully Paid

All Cream shares must, when issued be fully paid for in cash, property or services. The common shares, when validly issued are non-assessable and not subject to further calls for payment.

Redemption

Cream has no redeemable securities authorized or issued.

Pre-emptive Rights

There are no pre-emptive rights under the Articles of the Company which provide a right to existing shareholders to participate in offerings of Cream's securities.

Liquidation

All common shares of Cream are entitled to participate ratably in, if any, available for distribution assets in the event of a winding up or other liquidation of the Company.

No Limitation on Foreign Ownership

There are no limitations under Cream's Articles or in the BCA on persons who are not citizens of Canada holding or exercising their voting rights as holders of common shares. (See also "Exchange Controls")

Dividends

Dividends may be declared by the Board out of available assets and are paid ratably to holders of common shares. No dividend may be paid if Cream is, or would thereby become, insolvent.

Voting Rights

Each Cream share is entitled to one vote on matters on which common shares ordinarily vote including the election of directors, appointment of auditors and approval of corporate changes. There are no cumulative voting rights applicable to Cream.

Shareholder Meetings

Shareholders' meetings are governed by the Articles of Cream but many important shareholder protections are also contained in the Securities Act (British Columbia) and the BCA. The Articles provide that Cream will hold an annual shareholders' meeting, will provide at least 21 days' notice and will provide for certain procedural matters and rules of order with respect to the conduct of the meeting. Under British Columbia securities legislation and policies Cream is required to conduct advanced searches to facilitate delivery of meeting materials and proxy to beneficial shareholders. The form and content of information circulars and proxies and like matters are governed by the Securities Act (British Columbia) and the BCA. This legislation specifies the disclosure requirements for the proxy materials and various corporate actions, background information on the nominees for election for director, executive compensation paid in the previous year, unusual matters or related party transactions. Cream must hold determination general meeting of shareholders within 15 months of the previous annual shareholders' meeting. A quorum for a shareholders' meeting is one shareholder present in person or by proxy.

Change in Control

Other than as disclosed under Item 6.B "Termination and Change of Control Benefits", Cream does not have any agreements which are triggered by a take-over or other change of control, except that a takeover or change of control may result in the vesting of stock options previously granted. There are no provisions in its Articles triggered by or affected by a change in outstanding shares which gives rise to a change in control. There are no provisions in Cream's material agreements giving special rights to any person on a change of control.

Effective May 24, 2011, the Board of Cream adopted a Shareholder Rights Plan (the "Rights Plan"). The Rights Plan has been implemented by way of a shareholder rights plan agreement (the "Rights Plan Agreement") dated as of May 24, 2011 between the Company and Computershare Investor Services Inc., as rights agent. The Board adopted the Rights Plan to ensure, to the extent possible, that all shareholders of the Company are treated equally and fairly in connection with any take-over bid or similar offer for all or a portion of the outstanding common shares of the Company. For more information on the Shareholder Rights Plan please see section A, Share Capital.

Insider Share Ownership Reporting

The articles of Cream do not require disclosure of share ownership. Share ownership of director nominees must be reported annually in proxy materials sent to Cream's shareholders. There are no requirements under British Columbia corporate law to report ownership of shares of Cream but the Securities Act (British Columbia) requires disclosure of trading by insiders (generally officers, directors and holders of 10% of voting shares) within 5 days of the trade. Controlling shareholders (generally those in excess of 20% of outstanding shares) must provide 3 days advance notice of share sales.

Securities Act (British Columbia)

This statute applies to Cream and governs matters typically pertaining to public securities such as continuous disclosure, quarterly financial reporting, immediate disclosure of material changes, insider trade reporting, take-over protections to ensure fair and equal treatment of all shareholders, exemption and resale rules pertaining to non-prospectus securities issuances as well as civil liability for certain misrepresentations, disciplinary, appeal and discretionary ruling matters.

C. Material Contracts

Other than the Shareholder Rights Plan Cream is not party to any contracts that are material to its operations, business or assets, other than those entered into in the ordinary course of business for the two years preceding the date of this document.

D. Exchange Controls

The Company is not aware of any Canadian federal or provincial laws, decrees or regulations that restrict the export or import of capital, including foreign exchange controls, or that affect the remittance of dividends, interest or other payments to a non-resident holder of common shares, other than withholding tax requirements. Any such remittances to United States residents are generally subject to withholding tax, however no such remittances are likely in the foreseeable future. See "Taxation", below.

There is no limitation imposed by the laws of Canada or by the charter or other constituent documents of Cream on the right of a non-resident to hold or vote the common shares, other than as provided in the Investment Canada Act (the "Investment Act"). The following discussion summarizes the material features of the Investment Act for a non-resident who proposes to acquire the common shares. It is general only, it is not a substitute for independent advice from an investor's own advisor, and it does not anticipate statutory or regulatory amendments. Cream does not believe the Investment Act will have any effect on it or on its non-Canadian shareholders due to a number of factors including the nature of its operations and Cream's relatively small capitalization.

The Investment Act generally prohibits implementation of a "reviewable" investment by an individual, government or agency thereof, corporation, partnership, trust or joint venture (each an "entity") that is not a "Canadian" as defined in the Investment Act (a "non-Canadian"), unless after review the Director of Investments appointed by the minister responsible for the Investment Act is satisfied that the investment is likely to be of net benefit to Canada. The size and nature of a proposed transaction may give rise to an obligation to notify the Director to seek an advance ruling. An investment in Cream's common shares by a non-Canadian other than a "WTO Investor" (as that term is defined in the Investment Act and which term includes entities which are nationals of or are controlled by nationals of member states of the World Trade Organization) when Cream was not controlled by a WTO Investor, would be reviewable under the Investment Act if it was an investment to acquire control of Cream and the value of the assets of Cream, as determined in accordance with the regulations promulgated under the Investment Act, was over a certain figure, or if an order for review was made by the federal cabinet on the grounds that the investment related to Canada's cultural heritage or national identity, regardless of the value of the assets of Cream. An investment in the common shares by a WTO Investor, or by a non-Canadian when Cream was controlled by a WTO Investor, would be reviewable under the Investment Act if it was an investment to acquire control of Cream and the value of the assets of Cream, as determined in accordance with the regulations promulgated under the Investment Act, was not less than a specified amount, which for 2009 is Cdn\$295 million. A non-Canadian would acquire control of Cream for the purposes of the Investment Act if the non-Canadian acquired a majority of the common shares. The acquisition of less than a majority but one-third or more of the common shares would be presumed to be an acquisition of control of Cream unless it could be established that, on the acquisition, Cream was not controlled in fact by the acquirer through the ownership of the common shares.

The foregoing assumes Cream will not engage in the production of uranium or own an interest in a producing uranium property in Canada, or provide any financial service or transportation service, as the rules governing these businesses are different.

Certain transactions relating to the common shares would be exempt from the Investment Act, including:

- i. an acquisition of the common shares by a person in the ordinary course of that person's business as a trader or dealer in securities,
- ii. an acquisition of control of Cream in connection with the realization of security granted for a loan or other financial assistance and not for a purpose related to the provisions of the Investment Act, and
- iii. an acquisition of control of Cream by reason of an amalgamation, merger, consolidation or corporate reorganization following which the ultimate direct or indirect control in fact of Cream, through the ownership of the common shares, remained unchanged.

A. Taxation

All prospective investors are advised to consult their own tax advisors with respect to the specific tax consequences of purchasing the common shares of the Company.

Canadian Federal Income Tax Consequences for United States Residents

The following summarizes the material Canadian federal income tax consequences generally applicable to the holding and disposition of common shares by a holder (in this summary, a "U.S. Holder") who, (a) for the purposes of the Income Tax Act (Canada) (the "Tax Act"), is not resident in Canada, deals at arm's length with Cream, holds the common shares as capital property and does not use or hold the common shares in the course of carrying on, or otherwise in connection with, a business in Canada, and (b) for the purposes of the Canada-United States Income Tax Convention, 1980 (the "Treaty"), is a resident solely of the United States, has never been a resident of Canada, and has not held or used (and does not hold or use) common shares in connection with a permanent establishment or fixed base in Canada. This summary does not apply to traders or dealers in securities, limited liability companies, tax-exempt entities, insurers, financial institutions (including those to which the mark-to-market provisions of the Tax Act apply), or any other U.S. Holder to which special considerations apply.

This summary is based on the current provisions of the Tax Act including all regulations thereunder, the Treaty, all proposed amendments to the Tax Act, the regulations and the Treaty publicly announced by the Government of Canada to the date hereof, and the current administrative practices of the Canada Customs and Revenue Agency. It has been assumed that all currently proposed amendments will be enacted as proposed and that there will be no other relevant change in any governing law or administrative practice, although no assurances can be given in these respects. This summary does not take into account provincial, U.S., state or other foreign income tax law or practice. The tax consequences to any particular U.S. Holder will vary according to the status of that holder as an individual, trust, corporation, partnership or other entity, the jurisdictions in which that holder is subject to taxation, and generally according to that holder's particular circumstances. Accordingly, this summary is not, and is not to be construed as, Canadian tax advice to any particular U.S. Holder.

Dividends

Dividends paid or deemed to be paid to a U.S. Holder by Cream will be subject to Canadian withholding tax. Under the Treaty, the rate of withholding tax on dividends paid to a U.S. Holder is generally limited to 15% of the gross amount of the dividend (or 5% if the U.S. Holder is a corporation and beneficially owns at least 10% of Cream's voting shares). Cream will be required to withhold the applicable withholding tax from any such dividend and remit it to the Canadian government for the U.S. Holder's account.

Disposition

A U.S. Holder is not subject to tax under the Tax Act in respect of a capital gain realized on the disposition of a Common Share in the open market unless the share is "taxable Canadian property" to the holder thereof and the U.S. Holder is not entitled to relief under the Treaty. A Common Share will be taxable Canadian property to a U.S. Holder if, at any time during the 60 months preceding the disposition, the U.S. Holder or persons with whom the U.S. Holder did not deal at arm's length alone or together owned, or had rights to acquire, 25% or more of Cream's issued shares of any class or series. If the shares of Cream constitute taxable Canadian property to the holder, the holder may be subject to Canadian income tax on the gain. The taxpayer's taxable capital gain or loss from a disposition of the share is the amount, if any, by which the proceeds of disposition exceed (or are exceeded by) the aggregate of the adjusted cost base and reasonable expenses of disposition. One-half of the capital gain is included in income and one-half of the capital loss is deductible from capital gains realized in the same year. Unused capital losses may be carried back three taxation years or forward indefinitely and applied to reduce capital gains realized in those years. It should be noted that Canada requires a withholding tax on the gross proceeds of a sale of taxable Canadian property by a non-resident. The withholding tax may be reduced on completion of a Clearance Certificate Request. If the disposition of the share is subject to tax in Canada, the non-resident must also file a Canadian income tax return reporting the disposition.

A U.S. Holder whose common shares do constitute taxable Canadian property, and who might therefore be liable for Canadian income tax under the Tax Act, will generally be relieved from such liability under the Treaty unless the value of such shares at the time of disposition is derived principally from real property situated in Canada. The value of Cream's common shares is not currently derived principally from real property situated in Canada.

United States Tax Consequences

United States Federal Income Tax Consequences

Certain United States Federal Income Tax Consequences

This summary is for general information only and is not intended to be, nor should it be construed to be, legal or tax advice to any holder or prospective holder of common shares of Cream and no opinion or representation with respect to the U.S. federal income tax consequences to any such holder or prospective holder is made.

The following is a discussion of certain material United States federal income tax consequences, under current law, generally applicable to a U.S. Holder of common shares of Cream. This discussion does not address all potentially relevant federal income tax matters and it does not address consequences peculiar to persons subject to special provisions of federal income tax law, such as those described below as excluded from the definition of a U.S. Holder. In addition, this discussion does not cover any state, local or non-U.S. tax consequences (see "Taxation – Material Canadian Federal Income Tax Consequences for United States Residents" above for Canadian tax consequences). **Accordingly, we strongly recommend that holders and prospective holders of common shares of Cream consult their own tax advisors about the specific U.S. federal, state, local, and non-U.S. tax consequences to them of purchasing, owning and disposing of common shares of Cream, based upon their individual circumstances.**

The following discussion is based upon the sections of the Internal Revenue Code of 1986, as amended (the "Code"), Treasury Regulations, published Internal Revenue Service ("IRS") rulings, published administrative positions of the IRS and court decisions that are currently in effect as of the date hereof. Any or all of these authorities could be materially and/or adversely changed, possibly on a retroactive basis, at any time and are subject to differing interpretations. We have not requested, and will not request, a ruling from the IRS with respect to any of the U.S. federal income tax consequences described below, and as a result there can be no assurance that the IRS will not disagree with or challenge any of the conclusions we have reached and described herein.

As used herein, a "U.S. Holder" means a holder of common shares of Cream who is (i) a citizen or individual resident of the United States as determined for U.S. federal income tax purposes, (ii) a corporation created or organized in or under the laws of the United States or of any political subdivision thereof, (iii) an estate whose income is taxable in the United States irrespective of source or (iv) a trust (A) that is subject to the primary supervision of a court within the United States and one or more U.S. persons have authority to control all substantial decisions of the trust or (B) that has a valid election in effect under applicable Treasury regulations to be treated as a U.S. person. This summary does not address the tax consequences to special classes of U.S. Holders, such as tax-exempt organizations, qualified retirement plans, individual retirement accounts and other tax-deferred accounts, financial institutions, insurance companies, real estate investment trusts, regulated investment companies, broker-dealers, non-resident alien individuals, U.S. expatriates, persons or entities that have a "functional currency" other than the U.S. dollar, shareholders subject to the alternative minimum tax, shareholders who hold common shares as part of a straddle, hedging or conversion transaction, and shareholders who acquired their common shares through the exercise of employee stock options or otherwise as compensation for services. This summary is limited to U.S. Holders that own Cream common shares as capital assets, within the meaning of Section 1221 of the Code, and that own (directly and indirectly, pursuant to applicable rules of constructive ownership) less than 10% of the total combined voting power of all classes of Cream stock entitled to vote. This summary does not address the consequences to a person or entity holding an interest in a shareholder or the consequences to a person of the ownership, exercise or disposition of any options, warrants or other rights to acquire common shares. In addition, this summary does not address special rules applicable to persons holding common shares through a partnership, or other pass-through entity. If an investor is a partner (or other owner) of a pass-through entity that acquires Cream common shares, the investor should consult its tax advisor regarding the tax consequences of acquiring, owning and disposing of Cream common shares.

Passive Foreign Investment Company Considerations

United States income tax law contains rules governing “passive foreign investment companies” (“PFIC”) which can have significant tax effects on U.S. Holders of foreign corporations. Section 1297 of the Code defines a PFIC as a non-U.S. corporation if, for any taxable year, either (i) 75% or more of its gross income is “passive income,” which includes interest, dividends and certain rents and royalties or (ii) the average percentage, by fair market value (or, if the corporation is not publicly traded and either is a controlled foreign corporation or makes an election, by adjusted tax basis), of its assets that produce or are held for the production of “passive income” is 50% or more. Cream appears to have been a PFIC for the fiscal year ended March 31, 2012, and at least certain prior fiscal years. In addition, Cream may qualify as a PFIC in future fiscal years. Each U.S. Holder is encouraged consult a tax advisor with respect to how the PFIC rules affect such U.S. Holder.

If Cream were a PFIC during any year and Cream owns an indirect interest in any lower-tier PFICs during such year (a “Lower-Tier PFIC”), U.S. Holders will be treated as owning directly such proportionate amount (by value) of Cream’s direct or indirect interests in the Lower-Tier PFICs. Accordingly, a U.S. Holder will be subject to the adverse tax consequences described below with respect to any excess distributions made by such Lower-Tier PFIC, any gain on the disposition by Cream of Cream’s equity interest in such Lower-Tier PFIC treated as indirectly realized by a U.S. Holder, and any gain treated as indirectly realized by a U.S. Holder on the disposition of such U.S. Holder’s ownership of Cream common shares which may arise even if the U.S. Holder realizes an overall net loss on such disposition. Such amount will not be reduced by Cream’s expenses or losses, but any income recognized may increase a U.S. Holder’s tax basis in Cream common shares. Furthermore, any gain realized on the direct or indirect disposition by a U.S. Holder of an interest in a Lower-Tier PFIC will not be able to be offset by any loss realized on the direct or indirect disposition of other lower-tier PFICs.

Accordingly, a U.S. Holder should be aware that such U.S. Holder could be subject to tax even if no distributions from Cream are received and no redemptions or other dispositions of Cream common shares are made.

In the absence of a timely election described below, if a U.S. Holder’s holding period in the Cream common shares includes any period during a taxable year of Cream in which Cream is or will be a PFIC, the rules described below in “The ‘No Election’ Alternative” generally apply to gain realized on a disposition of Cream common shares and certain distributions received with respect to Cream common shares. If certain requirements are met, a U.S. Holder may mitigate certain of the consequences of those rules by timely making an election to treat Cream as a “qualified electing fund” (a “QEF”), described below in “The QEF Election Alternative” or to mark its Cream common shares to market, described below in “The Mark-to-Market Election Alternative”.

The QEF Election Alternative

A U.S. Holder that makes a timely and effective QEF election (an “Electing Holder”) generally would not be subject to the rules discussed below in “The ‘No Election’ Alternative”. However, an Electing Holder will be subject to United States federal income tax on such Electing Holder’s pro rata share of Cream’s (a) net capital gain, which will be taxed as long-term capital gain to such Electing Holder, and (b) ordinary earnings, which will be taxed as ordinary income to such Electing Holder, in each case regardless of whether such amounts are actually distributed to such Electing Holder. However, an Electing Holder may, subject to certain limitations, elect to defer payment of current U.S. federal income tax on such amounts, subject to an interest charge. If such Electing Holder is not a corporation, any such interest paid will be treated as “personal interest,” which is not deductible.

An Electing Holder generally (a) may receive a tax-free distribution from Cream to the extent that such distribution represents “earnings and profits” that were previously included in income by the Electing Holder because of such QEF election and (b) will adjust such Electing Holder’s tax basis in the Cream common shares to reflect the amount included in income or allowed as a tax-free distribution because of such QEF election. In addition, an Electing Holder generally will recognize capital gain or loss on the sale or other taxable disposition of Cream common shares.

The procedure for making a QEF election, and the United States federal income tax consequences of making a QEF election, will depend on whether such QEF election is timely. A QEF election will be treated as “timely” if such QEF election is made for the first taxable year in the U.S. Holder’s holding period for the Cream common share in which Cream is a PFIC. If a U.S. Holder makes a QEF election after the first taxable year in the U.S. Holder’s holding period for the common shares in which Cream is a PFIC, then in addition to filing the QEF election documents, a U.S. Holder may elect to recognize gain (which will be taxed under the rules discussed below in “The ‘No Election’ Alternative”) as if the Cream common shares were sold on the qualification date (a “purging election”). The “qualification date” is the first day of the first taxable year in which Cream is a QEF with respect to such U.S. Holder. The election to recognize such gain can only be made if such U.S. Holder’s holding period for the Cream common shares includes the qualification date. By electing to recognize such gain, such U.S. Holder will be deemed to have made a timely QEF election. In addition, under very limited circumstances, a U.S. Holder may make a retroactive QEF election if such U.S. Holder failed to file the QEF election documents in a timely manner. If a U.S. Holder fails to make a QEF election for the first taxable year in the U.S. Holder’s holding period for the Cream common shares in which Cream is a PFIC, and does not make a purging election, such holder will not be treated as having made a “timely” QEF election and will continue to be subject to the special taxation rules discussed below in “The ‘No Election’ Alternative”.

A QEF election will apply to the taxable year for which such QEF election is made and to all subsequent taxable years, unless such QEF election is invalidated or terminated or the IRS consents to revocation of such QEF election. If a U.S. Holder makes a QEF election and, in a subsequent taxable year, Cream ceases to be a PFIC, the QEF election will remain in effect (although it will not be applicable) during those taxable years in which Cream is not a PFIC. Accordingly, if Cream becomes a PFIC in another subsequent taxable year, the QEF election will be effective and the U.S. Holder will be subject to the QEF rules described above during any such subsequent taxable year in which Cream qualifies as a PFIC.

A QEF election applies only to the non-U.S. corporation for which it is made. If Cream were a PFIC, a U.S. Holder likely would remain subject to the excess distribution rules discussed below in “The ‘No Election’ Alternative” in respect of its indirectly owned shares in each Lower-Tier PFIC regardless of a QEF election in respect of Cream, unless such U.S. Holder has made a QEF election in respect of such Lower-Tier PFIC.

Each U.S. Holder should consult its own tax advisor regarding the availability of, and procedure for making, a QEF election. A U.S. Holder cannot make and maintain a valid QEF election unless Cream provides certain U.S. tax information necessary to make such an election. In order for a U.S. Holder to make (or maintain) a valid QEF election, Cream must provide certain information regarding its net capital gains and ordinary earnings and permit its books and records to be examined to verify such information.

The Mark-to-Market Election Alternative

A U.S. Holder that holds “marketable stock” in a PFIC may avoid the imposition of the additional tax and interest described below by making a mark-to-market election in the first year of its holding period in such PFIC’s shares. Cream’s common shares will be marketable securities if they are regularly traded on a qualifying exchange that is either (i) a national securities exchange which is registered with the Securities and Exchange Commission or the national market system established pursuant to the Exchange Act or (ii) any exchange or other market that the United States Treasury Department determines is adequate. Cream believes that the TSX Venture Stock Exchange meets this test, and accordingly, provided that the common shares are regularly traded on the TSX Venture Stock Exchange, a U.S. Holder should be able to make a mark-to-market election with respect to the common shares if Cream is classified as a PFIC.

If a U.S. Holder were to make a timely mark-to-market election with respect to Cream common shares that it will own at the close of its taxable year, such electing U.S. Holder would include as ordinary income in that taxable year any excess of the fair market value of its Cream common shares as of the close of such year over its adjusted tax basis in the Cream common shares. In addition, the U.S. Holder may claim an ordinary loss deduction for the excess, if any, of its adjusted tax basis in the common shares over the fair market value of the common shares at the close of the taxable year, but only to the extent of any prior net mark-to-market gains. An electing U.S. Holder’s tax basis in its Cream common shares will be adjusted to reflect any such income or loss. Any gain or loss on the sale of Cream common shares will be ordinary income or loss, except that any loss will be ordinary loss only to the extent of the previously included net mark-to-market gain. U.S. Holders considering the mark-to-market election should note that although it generally avoids the interest charge associated with PFICs, as described below, the application of the rules regarding indirect interests in Lower-Tier PFICs to the mark-to-market election is not entirely clear under current law. Accordingly, it may well be that a mark-to-market election would not be effective with respect to interests in a Lower-Tier PFIC. If the mark-to-market election is not effective with respect to interests in a Lower-Tier PFIC, then a U.S. Holder may be subject to the adverse tax consequences described below with respect to any interests in a Lower-Tier PFIC. An election to mark-to-market applies to the year for which the election is made and to subsequent years unless the PFIC shares cease to be marketable or the IRS consents to the revocation of the election. If Cream were to cease being a PFIC, a U.S. Holder that marked its common shares to market would not include mark-to-market gain or loss with respect to its Ordinary Shares for any taxable year that Cream was not a PFIC.

The “No Election” Alternative

If a U.S. Holder does not make a timely QEF or mark-to-market election (a “Non-Electing Holder”) and Cream is a PFIC, then special taxation rules will apply to (i) gains realized on the disposition of such U.S. Holder’s Cream common shares and (ii) certain “excess distributions” (generally, distributions received in the current taxable year that are in excess of 125% of the average distributions received during the three preceding years or, if shorter, such U.S. Holder’s holding period) by Cream. Pursuant to these rules, a Non-Electing Holder generally would be required to pro rate all gains realized on the disposition of any of its Cream common share and all excess distributions on its Cream common shares over its entire holding period. All gains or excess distributions allocated to prior years of a U.S. Holder (other than any year before the first taxable year of Cream during such U.S. Holder’s holding period for which it was a PFIC) would be taxed at the highest tax rate for each such prior year applicable to ordinary income.

A Non-Electing Holder also would be liable for interest on the foregoing tax liability for each such prior year calculated as if such liability had been due with respect to each such prior year but had not been paid until the taxable year within which the gains or excess distributions have occurred. A Non-Electing Holder that is not a corporation would be required to treat this interest charge as “personal interest” which would be nondeductible. The balance of the gain or the excess distribution would be treated as ordinary income in the year of the disposition or distribution, and no interest charge would be incurred with respect to such balance.

Considerations if PFIC Rules Do Not Apply

Distribution on Common Shares of Cream

Subject to the rules discussed under PFIC above, in general, U.S. Holders receiving dividend distributions (including constructive dividends) with respect to common shares of Cream are required to include in gross income for United States federal income tax purposes the gross amount of such distributions, equal to the U.S. dollar value of such distributions on the date of receipt (based on the exchange rate on such date), to the extent that Cream has current or accumulated earnings and profits (as determined under United States federal income tax principles), without reduction for any Canadian income tax withheld from such distributions. Canadian tax withheld may be credited, subject to certain limitations, against the U.S. Holder’s federal income tax liability or, alternatively, may be deducted in computing the U.S. Holder’s federal taxable income by those who itemize deductions. The rules governing the foreign tax credit are complex and involve the application of rules that depend upon a U.S. Holder’s particular circumstances. Accordingly, a U.S. Holder is urged to consult its tax advisor regarding the availability of the foreign tax credit under its particular circumstances.

To the extent that distributions exceed Cream’s current and accumulated earnings and profits, as determined under U.S. federal income tax principles, they will be treated first as a return of capital up to the U.S. Holder’s adjusted basis in the common shares causing a reduction in such U.S. Holder’s adjusted basis in the common shares (thereby increasing the amount of gain, or decreasing the amount of loss, to be recognized upon subsequent disposition of the common shares) and thereafter as gain from the sale or exchange of property. (discussed in further detail below under “Disposition of Common Shares of Cream”). However, Cream does not maintain calculations of earnings and profits in accordance with U.S. federal income tax principles, and U.S. Holders should therefore assume that any distribution with respect to the Cream common shares will constitute ordinary dividend income.

Subject to applicable exceptions with respect to short-term and hedged positions, certain dividends received by non-corporate U.S. Holders prior to January 1, 2013 from a “qualified foreign corporation” may be eligible for reduced rates of taxation. A qualified corporation includes a foreign corporation that is eligible for the benefits of a comprehensive income tax treaty with the United States that the U.S. Treasury Department determines to be satisfactory for these purposes and that includes an exchange of information provision. The U.S. Treasury has determined that the Treaty meets these requirements, and we believe that we are eligible for the benefits of the Treaty. Dividends received by U.S. Holders from a foreign corporation that was a PFIC in either the taxable year of the distribution or the preceding taxable year will not constitute qualified dividends. As discussed above in “Passive Foreign Investment Company,” Cream believes that it is a PFIC, and accordingly, dividends paid on our Cream common shares will not constitute qualified dividends.

In the case of foreign currency received as a dividend that is not converted by the recipient into U.S. dollars on the date of receipt, a U.S. Holder will have a tax basis in the foreign currency equal to its U.S. dollar value on the date of receipt. Generally any gain or loss recognized upon a subsequent sale or other disposition of the foreign currency, including the exchange for U.S. dollars, will be ordinary income or loss.

Disposition of Common Shares of Cream

Subject to the rules discussed under “Passive Foreign Investment Company Considerations” above, in general, U.S. Holders will recognize gain or loss upon the sale of common shares of Cream equal to the difference, if any, between (i) the amount of cash plus the fair market value of any property received, and (ii) the shareholder’s tax basis in the common shares of Cream. Currently, preferential tax rates apply to long-term capital gains of U.S. Holders, which are individuals, estates or trusts. In general, gain or loss on the sale of common shares of Cream will be long-term capital gain or loss if the common shares are a capital asset in the hands of the U.S. Holder and are held for more than one year. Deductions for net capital losses are subject to limitations.

Gain or loss, if any, that a U.S. Holder realizes upon a sale, exchange or other taxable disposition of Cream common shares will be treated as having a United States source for U.S. foreign tax credit limitation purposes. Consequently, U.S. Holders may not be able to use any foreign tax credits arising from any Canadian tax imposed on the sale, exchange or other taxable disposition of Cream common shares unless such credit can be applied (subject to applicable limitations) against tax due on other income treated as derived from foreign sources or unless an applicable treaty provides otherwise.

If a U.S. Holder receives any foreign currency on the sale of Cream common shares, such U.S. Holder may recognize ordinary income or loss as a result of currency fluctuations between the date of the sale of Cream common shares and the date the sale proceeds are converted into U.S. dollars.

United States Information and Backup Withholding Tax

Under current Treasury Regulations, dividends paid on Cream’s common shares, if any, generally will not be subject to information reporting and generally will not be subject to U.S. backup withholding tax. However, dividends and the proceeds from a sale of Cream’s common shares paid in the U.S. through a U.S. or U.S. related paying agent (including a broker) will be subject to U.S. information reporting requirements and may also be subject to U.S. backup withholding tax (currently at 28% rate), if a U.S. Holder does not provide its taxpayer identification number and otherwise comply with the backup withholding rules. Backup withholding is not an additional tax. Amounts withheld under the backup withholding rules are available to be credited against a U.S. Holder’s United States federal income tax liability and may be refunded by the IRS to the extent they exceed such liability, provided the required information is furnished to the IRS in a timely manner.

Under United States federal income tax law and regulations, certain categories of U.S. Holders must file information returns with respect to their investment in, or involvement in, a foreign corporation. Penalties for failure to file certain of these information returns are substantial. U.S. Holders of Cream common shares should consult with their own tax advisors regarding the requirements are imposed of filing information returns. U.S. Holders should be aware that reporting requirements with respect to the holding of certain foreign financial assets, including stock of foreign issuers that is not held in an account maintained by certain types of financial institutions, if the aggregate value of all of such assets exceeds U.S. \$50,000. IRS guidance suspends this annual filing requirement pending the release of new forms. Filings will eventually be required with respect to any year for which the obligation is suspended.

United States person who directly or indirectly own an interest in a PFIC to file an annual report with the IRS and failure to file such report could result in the imposition of penalties on such United States person. This requirement has been suspended for certain United States persons for tax years beginning after March 18, 2010 pending the release of a revised form. Filings will eventually be required with respect to any year in which the obligation is suspended.

U.S. Holders should consult their tax advisors regarding the application of the information reporting rules to Cream common shares and the application of these requirements to their particular situation.

Additional Tax on Investment Income

For taxable years beginning after December 31, 2012, U.S. Holders that are individuals, estates or trusts and whose income exceeds certain thresholds generally will be subject to a 3.8% Medicare contribution tax on unearned income, including, among other things, dividends on, and capital gains from the sale or other taxable disposition of, Cream's common shares, subject to certain limitations and exceptions.

E. Dividends and Paying Agents

Not applicable.

F. Statement by Experts

Not applicable.

G. Documents on Display

Exhibits attached to this Form 20-F are also available for viewing at the head office of the Company, Suite 1400, 570 Granville Street, Vancouver, British Columbia V6C 3P1, or on request of Cream at 604-687-4622. Copies of Cream's consolidated financial statements and other disclosure documents required under the British Columbia *Securities Act* are available for viewing on the internet at www.sedar.com during normal business hours.

H. Subsidiary Information Cream Minerals de Mexico S.A. de C.V.

Not applicable.

ITEM 11. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK**A. Quantitative Information about Market Risk**

The Company has not hedged its exposure to currency fluctuations. At March 31, 2012, the Company is exposed to currency risk through the following assets and liabilities denominated in U.S. dollars and Mexican pesos.

	March 31, 2012	March 31, 2011
U.S. Dollars		
Cash and cash equivalents	\$ 146,487	\$ 241,461
Accounts payable and accrued liabilities	(14,137)	(182,425)
Mexican Pesos		
Cash and cash equivalents	8,316	36,742
Value added taxes recoverable	497,865	134,228
Accounts payable and accrued liabilities	(10,881)	(5,038)

Based on the above net exposures at March 31, 2012, and assuming that all other variables remain constant a 10% appreciation or depreciation of the Canadian dollar against the U.S. dollar would result in an increase/decrease of \$13,235 (2011 - \$5,904), in the Company's loss from operations, and a 10% appreciation or depreciation of the Canadian dollar against the Mexican Pesos would result in an increase/decrease of \$49,529 (2011 - \$16,593) in the Company's loss from operations.

B. Qualitative Information about Market Risk**Transaction Risk and Currency Risk Management**

Cream's current operations do not employ financial instruments or derivatives. Currently, the Company has no long-term debt or source of revenue as the Company is in the resource exploration and development stage on its mineral property interests.

The Company is exposed to potential loss from various risks including commodity price risk, interest rate risk, currency risk, credit risk and liquidity risk.

(a) Commodity price risk

The Company's ability to raise capital to fund exploration or development activities is subject to risk associated with fluctuations in the market prices of gold and silver and the outlook for these metals. The Company does not have any hedging or other derivative contracts with respect to its operations.

Market prices for gold and silver historically have fluctuated widely and are affected by numerous factors outside of the Company's control, including, but not limited to, levels of worldwide production, short-term changes in supply and demand, industrial and retail demand, central bank lending, central bank sales, investment demand and forward sales by producers and speculators. The Company has elected not to actively manage its commodity price risk.

(b) Interest rate risk

Financial instruments that potentially subject the Company to significant cash flow interest rate risk are financial assets with variable interest rates. The Company has no financial assets with this risk.

Financial assets and financial liabilities that bear interest at fixed rates are subject to fair value interest rate risk. The Company had no cash equivalents at March 31, 2012. In respect of financial assets, the Company's policy is to invest cash at floating rates of interest in short term cash GIC's issued by a major Canadian chartered bank, in order to maintain liquidity, while achieving a satisfactory return. Fluctuations in interest rates impact on the value of cash equivalents. Interest rate risk is not significant to the Company as it has no cash equivalents at year end. As at March 31, 2012, with other variables unchanged, a 1% change in the variable interest rate would have had an insignificant impact on the Company.

(c) Currency risk

The Company is exposed to the financial risk related to the fluctuation of foreign exchange rates. The Company operates in Canada and Mexico and a portion of its expenses are incurred in United States dollars and in Mexican pesos. A significant change in the currency exchange rates between the Canadian dollar and these currencies could have an effect on the Company's results of operations, financial position or cash flows.

(d) Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations.

Given their short-term maturity, the fair value of cash and sundry receivables are based on going-concern assumptions and are recorded at their carrying value.

The Company's financial assets comprise cash, short-term investments, marketable securities and accounts receivable. These financial instruments potentially subject the Company to credit risk. The Company's maximum exposure to credit risk as at March 31, 2012 is the carrying value of its financial assets. The Company manages credit risk by maintaining bank accounts with reputable banks and financial institutions and investing only in GIC's issued by a major Canadian chartered bank. Cash is held at a major Canadian Chartered Bank and the risk of default is considered to be remote.

(e) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they come due. The Company manages liquidity risk through the management of its capital structure and financial leverage as outlined in Note 14 to the consolidated financial statements.

The Company attempts to manage its significant liquidity risk by maintaining sufficient cash and short-term investment balances. Liquidity requirements are managed based on expected cash flow to ensure there is sufficient capital to meet short-term obligations. The Company has been dependent on small private placement financings and advances from a major shareholder to maintain liquidity. All of the Company's financial liabilities are due within one year.

C. Management of Capital

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the development of its mineral property interests in Canada and Mexico and to maintain a flexible capital structure which optimizes the costs of capital.

In the management of capital, the Company includes the components of shareholders' equity. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of its underlying assets. To maintain or adjust the capital structure, the Company may issue new shares, issue debt or acquire or dispose of assets.

In order to facilitate the management of its capital requirements, the Company prepares annual expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions. In the past fiscal year, two private placements of common shares were completed that provided sufficient capital for over one year of operations, including a 20,292 metre drill program at Nuevo Milenio.

Although the Company has been successful at raising funds in the past through the issuance of share capital, it is uncertain whether it will be able to continue this form of financing due any number of factors beyond its control. The Company's investment policy is to invest its excess cash in highly liquid short-term interest-bearing investments with maturities of 90 days or less from the original date of acquisition, selected with regards to the expected timing of expenditures from continuing operations.

Exchange Rate Sensitivity

The Company is engaged in mineral exploration and related activities, including exploration, and reclamation. Changes in the price of foreign exchange rates could significantly affect the Company's profitability and cash flows. See "Key Information" under Item 3 above, for a description of factors relating to foreign exchange and currency fluctuations. Its liabilities are all denominated in Canadian dollars. Certain operations in Mexico are affected by exchange rate risk, of both the U.S. Dollar and the Mexican Peso.

Exploration in fiscal 2012 was primarily conducted in Mexico, and its administrative operations are in Canada. The Company's operations are affected by exchange rate risk, as the equity financings by the Company to date have been denominated in Canadian dollars. Excess cash is invested and may be affected by exchange rate risk for United States dollar expenditures. In the future, it will be necessary to do further equity or other forms of financing. The funds are usually received in Canadian dollars. Funds received in U.S. dollars will likely remain in U.S. dollars and be used for expenditures in U.S. dollars, to reduce exchange risk. The risk that the Company is subject to arises when expenses are incurred in U.S. dollars or other currencies, but primarily U.S. dollars, with large fluctuations in the Canadian-U.S. dollar exchange rate at that time of the transaction. Exchange losses were incurred in fiscal 2012 of \$12,638 on cash expenditures of \$4.0 million, an amount primarily related to administrative and exploration activities in Mexico.

Interest Rate Risk and Equity Price Risk

Cream does not have any debt that is subject to interest rate change risks.

ITEM 12. DESCRIPTION OF SECURITIES OTHER THAN EQUITY SECURITIES

Not applicable.

PART II

ITEM 13. DEFAULTS, DIVIDEND ARREARAGES AND DELINQUENCIES

Not applicable.

ITEM 14. MATERIAL MODIFICATIONS TO THE RIGHTS OF SECURITY HOLDERS AND USE OF PROCEEDS

Not applicable.

ITEM 15. CONTROLS AND PROCEDURES

The issuer's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making. Investors should be aware that inherent limitations on the ability of certifying officers of an issuer to design and implement on a cost effective basis relating to the establishment and maintenance of disclosure controls and procedures and internal controls over financial reporting may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation. As such, the certifying officer filing this annual report does not make any representations relating to the establishment and maintenance of controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's IFRS.

Disclosure controls and procedures are designed to ensure that material information relating to the Company, and its consolidated subsidiaries, is accumulated and communicated on a timely basis to appropriate members of the Company's management, including the Company's CEO and CFO, to allow timely decisions regarding required disclosure. Disclosure controls and procedures apply to various disclosures, including reports filed with securities regulatory agencies.

Internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial information. Internal control over financial reporting includes those policies and procedures that pertain to the preparation of financial statements prepared for external purposes in accordance with generally accepted accounting principles. The evaluations of internal controls were conducted in accordance with the framework criteria established in Internal Control – Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO"), a recognized control model, and the requirements of National Instrument 52-109, Certification of Disclosures in Issuers' Annual and Interim Filings.

An evaluation was carried out under the supervision of and with the participation of the Company's management, including the CEO and CFO, of the effectiveness of our disclosure controls and procedures and internal controls over financial report (as defined in rules adopted by the SEC) as at March 31, 2012. Based on that evaluation, the CEO and CFO concluded that the Company's disclosure controls and procedures and internal control over financial reporting were effective as at March 31, 2012.

A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance with respect to the reliability of financial reporting and financial statement preparation. Accordingly, the Company's management, including the CEO and the CFO, does not expect that the Company's internal control over financial reporting will prevent or detect all error and all fraud. Also, projections of any evaluation of effectiveness to future periods and subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with policies or procedures may change.

The Company will continue to periodically review its disclosure controls and procedures and internal control over financial reporting and may make modifications from time to time as considered necessary or desirable.

Attestation Report of registered public accounting firm

This Annual Report does not include an attestation report of our registered public accounting firm regarding internal control over financial reporting. Management's report was not subject to attestation by our independent registered public accounting firm pursuant to the rules of the Securities and Exchange Commission that permit us to provide only management's report in this Annual Report.

Changes in internal controls over financial reporting

No changes in the Company's internal control over financial reporting occurred during the year ended March 31, 2012 that materially affected or are reasonably likely to materially affect, the Company's internal control over financial reporting.

ITEM 16A. AUDIT COMMITTEE FINANCIAL EXPERT**Composition of the Audit Committee**

The members of the audit committee are Messrs. Robin Merrifield, Christopher Hebb and Gerald Feldman. The Company's Board of Directors has determined that it has more than one "audit committee financial expert" on the Audit Committee: Mr. Robin Merrifield is a Chartered Accountant (South Africa) and is an Executive Vice-President, of a producing mining company and Mr. Gerald Feldman is a Chartered Accountant in the Province of Ontario.

A member of the audit committee is independent if the member has no direct or indirect material relationship with the Company. A material relationship means a relationship which could, in the view of the Company's Board of Directors, reasonably interfere with the exercise of a member's independent judgment. None of the current members of the audit committee have a material relationship with the Company.

At the date of this Annual Report on Form 20-F, the Company is in compliance with the audit committee composition rule set out in National Instrument 52-110 *Audit Committees* ("NI 52-110"), the Canadian regulatory policy respecting audit committees, as a majority of the members of the audit committee are considered independent.

ITEM 16B. CODE OF ETHICS

The Company has adopted a code of ethics that applies to the Company's CEO, the CFO and other members of senior management. The Company's Code of Ethics is filed as an exhibit to this Form 20-F. There have been no amendments to the code of ethics and no waivers during the year ended March 31, 2012, and to the date of filing of this Form 20-F.

ITEM 16C. PRINCIPAL ACCOUNTANT FEES AND SERVICES

The following table discloses the aggregate fees billed for each of the last two fiscal years for professional services rendered by the Company's audit firm for various services.

Services:	Years ended March 31,	
	2012	2011
Audit fees	\$ 57,500	\$ 38,500
Audit-related fee ⁽¹⁾	2,500	Nil
Tax fees	Nil	Nil
All other fees ⁽²⁾	1,190	720
Total fees	\$ 60,690	\$ 39,220

(1) "Audit-Related Fee" includes services that are traditionally performed by the auditor. These audit-related services include review of SEC documentation and audit services not required by legislation or regulation.

(2) Canadian Public Accounting Board Fees.

From time to time, management of the Company recommends to and requests approval from the audit committee for non-audit services to be provided by the Company's auditors. The audit committee routinely considers such requests at committee meetings, and if acceptable to a majority of the audit committee members, pre-approves such non-audit services by a resolution authorizing management to engage the Company's auditors for such non-audit services, with set maximum dollar amounts for each itemized service. During such deliberations, the audit committee assesses, among other factors, whether the services requested would be considered "prohibited services" as contemplated by the United States Securities and Exchange Commission and whether the services requested and the fees related to such services could impair the independence of the auditors. All of the non-audit related services provided by the Company's audit firm were pre-approved by the audit committee.

During the year ended March 31, 2012, all of the services described above under “Principal Accountant Fees and Services” under the captions “Audit-Related Fees”, “Tax Fees”, and “All Other Fees” were approved by the Audit Committee pursuant to paragraph (c)(7)(i)(C) of Rule 2-01 of Regulation S-X.

ITEM 16D. EXEMPTIONS FROM THE LISTING STANDARDS FOR AUDIT COMMITTEES

Not applicable.

ITEM 16E. PURCHASES OF EQUITY SECURITIES BY THE ISSUER AND AFFILIATED PURCHASERS

There were no purchases of equity securities by the issuer and affiliated purchasers.

ITEM 16F. CHANGE IN REGISTRANT’S CERTIFYING ACCOUNTANT

Not applicable.

ITEM 16G. CORPORATE GOVERNANCE

Not applicable.

PART III

ITEM 17. FINANCIAL STATEMENTS

The Company’s consolidated financial statements are stated in Canadian dollars and are prepared in accordance with IFRS as issued by the IASB.

The financial statements and notes thereto as required under Item 17 are attached as Exhibit F-1 to this Annual Report and are incorporated by reference herein. The audit report of Morgan & Company, independent Chartered Accountants, is included therein immediately preceding the consolidated financial statements and is also incorporated by reference herein.

ITEM 18. FINANCIAL STATEMENTS

Not applicable. See Item 17.

ITEM 19. EXHIBITS

Financial Statements:

- a. Auditors’ Report on the consolidated statements of financial position as at March 31, 2012, March 31, 2011, and April 1, 2010 and the consolidated statements of operations and comprehensive loss, changes in equity (deficiency), and cash flows for years ended March 31, 2012 and March 31, 2011;
- b. Consolidated statements of financial position as at March 31, 2012, March 31, 2011, and April 1, 2010;
- c. Consolidated statements of operations and comprehensive loss for the years ended March 31, 2012 and 2011;
- d. Consolidated statement of changes in equity (deficiency);
- e. Consolidated statements of cash flows for years ended March 31, 2012 and 2011;
- f. Notes to the consolidated financial statements;
- g. Shareholder Rights Plan and Articles.

Index to Exhibits

The following exhibits are filed with this Annual Report on Form 20-F in respect of the current year:

Exhibit Number	Description
F-1	Consolidated Financial Statements for the Years Ended March 31, 2012, 2011 and 2010, including Management's Responsibility for Financial Reporting and Auditors' Report from Morgan & Company, Chartered Accountants
1.1*	Certified Copies of Transition Application and Notice of Articles and Notice of Articles - post transition
2.1***	2008 Stock Option Plan (10% Rolling), as Approved by Shareholders on September 19, 2008 and October 23, 2009
4.2****	Option agreement between Roca Mines Inc. and the Company, dated July 24, 2009, on the Nuevo Milenio Project, Municipality of Xalisco, Tepic Area, Nayarit State, Mexico
6.1	Calculation of earnings per share – N/A
7.1	Explanation of calculation of ratios – N/A
8.1***	List of Subsidiaries
11.1*	Code of ethics
11.2*****	Shareholder Rights Plan Agreement dated May 24, 2011
12.1	Certification pursuant to Rule 13a-14(A)/15d-14(a) of Chief Executive Officer
12.2	Certification pursuant to Rule 13a-14(A)/15d-14(a) of Chief Financial Officer
13.1	Certification pursuant to 18 U.S.C. Section 1350 of Chief Executive Officer
13.2	Certification pursuant to 18 U.S.C. Section 1350 of Chief Financial Officer
A*	A technical report titled, "Geological Report on the Dos Hornos and Once Bocas Gold Silver Structure, Nuevo Milenio Project, Municipality of Xalisco, Tepic Area, Nayarit State, Mexico Latitude: 21°21'35" North, Longitude: 104 °46'53" West", dated February 16, 2006.
B**	A Technical Report on the Casierra alluvial diamond properties EPL 1/94 (Hima prospecting license area) and EPL 5/94 in Sierra Leone, West Africa, dated November 15, 2005, as amended January 18, 2006.

*These exhibits were included as exhibits to, and are incorporated herein by reference to, the Company's Annual Report filed on Form 20-F with the Commission on September 30, 2005.

** This exhibit was previously filed via Form 6-K on EDGAR on December 9, 2005, was subsequently amended and filed via Form 6-K on EDGAR on February 6, 2006 and is incorporated by reference herein.

*** This exhibit was included as an exhibit to, and is incorporated herein by reference to, the Company's Annual Report filed on Form 20-F with the Commission on September 30, 2008.

**** This exhibit was included as an exhibit to, and is incorporated herein by reference to, the Company's Annual Report filed on Form 20-F/A with the Commission on May 26, 2010.

***** This exhibit was included as an exhibit to, and is incorporated herein by reference to, the Company's Annual Report filed on Form 20-F with the Commission on September 30, 2011.

END OF EXHIBITS

Glossary of Geologic and Mining Terms

Adit - A horizontal passage from the surface into a mine, commonly called a tunnel.

Ag - Chemical symbol for the metallic element silver.

Au - Chemical symbol for the metallic element gold.

Alteration - Any change in the mineralogic composition of a rock that is brought about by physical or chemical means.

Banka drilling – A drilling method used in inhospitable and isolated areas in the world, primarily using human manpower. Developed by Conrad Banka, the drills are indispensable to prospect or explore alluvial deposits; mine tailings; clay, bauxite and lateritic iron ore; water bearing layers; deep geochemistry in water saturated soils and for geotechnical soil testing.

Bed - The smallest division of a stratified rock series, marked by a well-defined divisional plane from its neighbours above and below; an ore deposit, parallel to the stratification, constituting a regular member of the series of formations.

Bedding - Condition where planes divide sedimentary rocks of the same or different lithology.

Bedrock - Solid rock exposed at the surface of the earth, or overlain by surficial deposits.

Biotite - A generally dark colored iron, magnesium and potassium rich mica.

Caldera - A large basin-shaped volcanic depression, more or less circular, the diameter of which is many times greater than that of the included vent or vents, irrespective of the steepness of the walls of the form of the floor.

Contact – The place or surface where two different kinds of rocks come together.

Cretaceous - A period of geological time extending from 135 million to 65 million years ago.

Crown grant - A mineral claim located on the ground, defined by two claim posts, the location of which is governed by a mineral title act enacted at an earlier date than the current act.

Diamond drill hole - A method of obtaining a cylindrical core of rock by drilling with a diamond impregnated bit.

Deposit – A natural occurrence of a useful mineral or ore in sufficient extent and degree of concentrating to invite exploitation.

Dip - The angle at which a stratum or drill hole is inclined from the horizontal.

Displacement - Relative movement of rock on opposite side of a fault; also known as dislocation.

Disseminated – Fine particles of mineral dispersed through the enclosing rock.

EM - Electromagnetic.

Fault - A fracture in a rock along which there has been relative movement either vertically or horizontally.

Feldspar - A group of common aluminosilicate minerals.

Feldspar porphyry - A rock consisting of feldspar crystals embedded in a compact dark red or purple groundmass.

Feasibility study - Engineering study to determine if a mineral property can be developed at a profit, and the methods to develop it.

Footwall - The mass of rock that lies beneath a fault, an ore body, or a mine working; the top of the rock stratum underlying a vein or bed of ore.

g/t - Grams per tonne.

Galena - Lead sulphide, PbS, the principal ore of lead.

Geochemical survey - A measure of the abundance of different elements in rock, soil, water, etc.

Geochemistry - Study of chemical elements in rocks or soil.

Geological mapping – Surveys defining the surface distribution of rock varieties, age relationships and structural features.

Grab sampling - A random sample of mineralized rock with no statistical validity, taken simply to check the type of mineralization.

Grade - The quality of an ore; in effect, the metal content.

Granite – An intrusive rock consisting essentially of feldspar and quartz.

Grid - A network of evenly spaced horizontal and vertical bars or lines, used generally to locate points in the field when placed over a map or chart.

Hanging wall - The rock mass above a fault plane, vein, lode, ore body, or other structure, the underside of the country rock overlying a vein or bed of ore.

Hectare - A square of 100 metres on each side.

Induced polarization survey – A survey to determine the conductivity and chargeability of rock units located along grid lines.

Intrusive - Said of an igneous rock, which invades older rocks.

Lime - A white substance, calcium oxide (CaO), obtained by the action of heat on limestone, shells and other materials containing calcium carbonate.

Limestone - Rock consisting mainly of calcium carbonate, often composed of the organic remains of sea animals (mollusks, coral, etc.).

Lode - See vein.

Meta-intrusive - An intrusive rock that has been metamorphosed.

Metamorphosed/Metamorphic - A rock that has been altered by physical and chemical processes including heat, pressure and fluids.

Meta-sediment - A sedimentary rock that has been metamorphosed.

Mineralization - The concentration of metals and their chemical compounds within a body of rock.

Mining lease – A claim or number of claims to which the right to mine is assigned.

Modified grid mineral claim – A claim with north-south and east-west borders, located by using claim posts at each corner and at 500 metre intervals along each side. Each 500 metre x 500-metre interval is referred to as one unit and modified grid claims can total no more than 20 units in size.

Net smelter royalty - A royalty based on the actual metal sale price received less the cost of refining at an off-site refinery.

Ore - Rock containing mineral(s) or metals, which can be economically extracted.

Orebody - A solid and fairly continuous mass of ore.

Outcrop - An exposure of bedrock at the surface.

Pb - Chemical symbol for the metallic element lead.

Pod - An orebody of elongate, lenticular shape; also known as podiform orebody.

PPB - Part Per Billion.

PPM - Part Per Million.

Pyrite - Iron sulphide (FeS_2).

Quartz - A mineral composed of silicon dioxide.

Reconnaissance - A general examination or survey of a region with reference to its main features, usually as a preliminary to a more detailed survey.

Replacement mineralization – Mineral deposit formed by replacement of previous rock.

Rhyolite - A siliceous volcanic rock with a high potassium in feldspar component.

Rock chip sample – A rock sample consisting of continuous chips collected over a specified width.

Rotary drilling – A drilling method where a hard-toothed bit rotates at the bottom of a drill pipe, grinding a hole into the rock. Lubrication is provided by continuously circulating drilling fluid, which brings the rock cuttings to the surface.

Sediment - Solid material that has settled down from a state of suspension in a liquid. More generally, solid fragmental material transported and deposited by wind, water or ice, chemically participated from solution, or secreted by organisms, and that forms in layers in loose unconsolidated form.

Sedimentary rock – Rock formed by lithification of sediments.

Shaft – A vertical excavation.

Shear - To move as to create a planar zone of deformed rock.

Showing - A rock outcrop revealing the presence of a certain mineral.

Siliceous - Said of a rock rich in silica.

Silt sample – A sample of fine sediment collected from a stream bed.

Soil sampling - Systematic collection of soil samples at a series of different locations in order to study the distribution of soil geochemical values.

Sphalerite - A zinc sulphide, ZnS , which may contain some iron and cadmium; the principal ore of zinc and cadmium.

Strike – The horizontal plane representing the direction of a structure or bed.

Sulphide - A group of minerals in which one or more metals are found in combination with sulphur.

Tonne - Metric unit of weight equivalent to volume multiplied by specific gravity, equivalent to 1.102 tons.

Trenching - The act of blasting or digging through overburden/outcrop to attend fresh bedrock for mapping and sampling.

Vein - A tabular or sheet-like body of minerals, which has been intruded into a joint fissure, or system of fissures, in rocks.

VLF - Very Low Frequency.

VLF EM survey – A survey to determine ground variations in the electromagnetic field along grid lines.

Workings - A part of a mine, quarry, etc., where work is or has been done.

Zn - Chemical symbol for the metallic element zinc.

SIGNATURES

Cream Minerals Ltd. certifies that it meets all of the requirements for filing on Form 20-F and that it has duly caused and authorized the undersigned to sign this Annual Report on its behalf.

CREAM MINERALS LTD.

Per:

/s/ Michael O'Connor

Michael O'Connor, President

DATED: August 15, 2012

**CERTIFICATION PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Michael O'Connor, certify that:

1. I have reviewed this Annual Report on Form 20-F of Cream Minerals Ltd.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;
4. The company's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15(d-15e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the company and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such disclosure controls and procedures to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the presentation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting; and
5. The company's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company's auditors and the audit committee of the company's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control over financial reporting.

August 15, 2012

/s/ Michael O'Connor
Michael O'Connor
Chief Executive Officer

**CERTIFICATION PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Angela Yap, certify that:

1. I have reviewed this Annual Report on Form 20-F of Cream Minerals Ltd.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;
4. The company's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15(d)-15e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the company and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such disclosure controls and procedures to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the presentation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting; and
5. The company's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company's auditors and the audit committee of the company's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control over financial reporting.

August 15, 2012

/s/ Angela Yap
Angela Yap
Chief Financial Officer

**Certification of Chief Executive Officer
Pursuant to
18 U.S.C. Section 1350,
As Enacted Pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002**

Cream Minerals Ltd. (the "Company") is filing with the U.S. Securities and Exchange Commission on the date hereof, its annual report on Form 20-F for the fiscal year ended March 31, 2012 (the "Report").

I, Michael O'Connor, President and Chief Executive Officer of the Company, hereby certify, pursuant to 18 U.S.C. section 1350, as enacted pursuant to section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

- (i) the Report fully complies with the requirements of section 13(a) or 15(d) of the U.S. Securities Exchange Act of 1934; and
- (ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Michael O'Connor
Michael O'Connor
Chief Executive Officer

August 15, 2012

Certification of Chief Financial Officer
Pursuant to
18 U.S.C. Section 1350,
As Enacted Pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002

Cream Minerals Ltd. (the "Company") is filing with the U.S. Securities and Exchange Commission on the date hereof, its annual report on Form 20-F for the fiscal year ended March 31, 2012 (the "Report").

I, Angela Yap, Chief Financial Officer of the Company, hereby certify, pursuant to 18 U.S.C. section 1350, as enacted pursuant to section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

- (i) the Report fully complies with the requirements of section 13(a) or 15(d) of the U.S. Securities Exchange Act of 1934; and
- (ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Angela Yap
Angela Yap
Chief Financial Officer

August 15, 2012



CREAM MINERALS LTD.

(An exploration stage company)

CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED MARCH 31, 2012 AND 2011

(Expressed in Canadian dollars)

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors and Shareholders of
Cream Minerals Ltd.
(An exploration stage company)

Report on the consolidated financial statements

We have audited the accompanying consolidated financial statements of Cream Minerals Ltd., which comprise the consolidated statements of financial position as at March 31, 2012, March 31, 2011 and April 1, 2010 and the consolidated statements of operations and comprehensive loss, changes in equity (deficiency) and cash flows for the years ended March 31, 2012 and March 31, 2011, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the consolidated financial statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards and the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of Cream Minerals Ltd. as at March 31, 2012, March 31, 2011 and April 1, 2010, and its financial performance and cash flows for the years ended March 31, 2012 and March 31, 2011 in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Emphasis of matter

Without qualifying our opinion, we draw attention to Note 1 in the consolidated financial statements which describes matters and conditions that indicate the existence of a material uncertainty that cast substantial doubt about the Company's ability to continue as a going concern.

Vancouver, BC

"Morgan & Company"

July 27, 2012

Chartered Accountants

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P.O. Box 10007 Pacific Centre
Suite 1488 – 700 West Georgia Street
Vancouver, BC V7Y 1A1

CREAM MINERALS LTD.

(An exploration stage company)

Consolidated Statements of Financial Position

(Expressed in Canadian dollars)

	March 31, 2012	March 31, 2011 (Note 17)	April 1, 2010 (Note 17)
Assets			
Current Assets			
Cash	\$ 292,501	\$ 448,109	\$ 228,106
Short-term investments	175,429	4,336,906	--
Marketable securities at fair value	--	8,183	4,612
Amounts receivable and prepaid expenses (Notes 4, 9(a))	87,679	86,544	119,085
	555,609	4,879,742	351,803
Non-current Assets			
Deposits, related party (Notes 4, 9(a))	189,963	64,000	--
Exploration and evaluation assets (Note 5)	97,080	483,605	454,853
Foreign value-added taxes recoverable (Note 6)	497,865	134,255	139,556
Equipment (Note 7)	59,566	53,015	3,934
Deferred finance costs	--	--	18,692
Investment in associate	1	1	1
Reclamation deposits	15,000	18,000	18,000
Total Assets	\$ 1,415,084	\$ 5,632,618	\$ 986,839
Liabilities			
Current Liabilities			
Accounts payable and accrued liabilities (Note 8)	\$ 157,941	\$ 252,234	\$ 538,584
Accounts payable, related parties (Note 9)	88,890	194,026	1,751,087
Total Liabilities	246,831	446,260	2,289,671
Equity (Deficiency)			
Share capital (Note 11)	32,589,847	32,110,200	24,652,771
Share subscriptions	--	--	873,475
Warrant reserve	2,836,637	2,922,556	170,613
Share-based payments reserve (Note 11)	4,506,782	4,035,325	2,276,786
Deficit	(38,765,013)	(33,881,723)	(29,276,477)
Total Equity (Deficiency)	1,168,253	5,186,358	(1,302,832)
Total Liabilities and Equity	\$ 1,415,084	\$ 5,632,618	\$ 986,839

Going concern (Note 1)

Approved and authorized for issue on behalf of the board of directors on July 27, 2012 by:

/s/ Michael O'Connor

Director

/s/ Robin Merrifield

Director

See accompanying notes to consolidated financial statements.

CREAM MINERALS LTD.

(An exploration stage company)

Consolidated Statements of Operations and Comprehensive Loss

(Expressed in Canadian dollars)

	For the years ended March 31,	
	2012	2011 (Note 17)
Revenue		
Interest	\$ 40,918	\$ 13,575
Gain on marketable securities	-	3,571
Loss on marketable securities	(2,596)	--
Total Revenue	\$ 38,322	\$ 17,146
Expenses		
Consulting and director fees (Note 9)	81,767	30,000
Exploration Costs (Note 16)	2,763,119	1,702,150
Finance costs (Note 9)	--	32,428
Foreign exchange	12,638	14,438
General and administrative (Notes 9, 10)	(8,828)	177,951
Professional fees	201,975	109,125
Takeover defense	--	524,212
Salaries and benefits	453,463	381,433
Shareholder communications	496,437	297,859
Share-based payments	480,229	1,339,990
Write-down of exploration and evaluation assets (Note 5)	440,812	12,806
Total expenses	(4,921,612)	(4,622,392)
Net Loss and Comprehensive Loss for the Year	(4,883,290)	(4,605,246)
Loss per Share, Basic and Diluted	\$ (0.03)	\$ (0.06)
Weighted Average Number of Shares Outstanding – Basic and Diluted	152,114,579	74,757,958

See accompanying notes to consolidated financial statements.

CREAM MINERALS LTD.

(An exploration stage company)

Consolidated Statements of Changes in Equity (Deficiency)

For the years ended March 31, 2012 and 2011

(Expressed in Canadian dollars)

	Common Shares Without Par Value		Share Subscriptions	Warrant Reserve	Share-based Payments Reserve	Deficit	Total Equity (Deficiency)
	Shares	Amount					
Balance, April 1, 2010	64,716,988	\$ 24,652,771	\$ 873,475	\$ 170,613	\$ 2,276,786	\$ (29,276,477)	\$ (1,302,832)
Private placement, net of share issue costs	60,463,214	3,923,200	(873,475)	2,964,974	--	--	6,014,699
Finders' shares issued	144,000	12,960	--	--	--	--	12,960
Warrants exercised	23,680,143	3,464,469	--	(198,455)	--	--	3,266,014
Warrants expired, unexercised	--	--	--	(14,576)	14,576	--	--
Exploration and evaluation assets							
Blueberry claims	40,000	6,400	--	--	--	--	6,400
Options exercised	420,000	50,400	--	--	(36,851)	--	13,549
Share-based payments	--	--	--	--	1,780,814	--	1,780,814
Net loss for the year	--	--	--	--	--	(4,605,246)	(4,605,246)
Balance, March 31, 2011	149,464,345	32,110,200	--	2,922,556	4,035,325	(33,881,723)	5,186,358
Warrants exercised	2,998,571	437,275	--	(85,919)	--	--	351,356
Exploration and evaluation assets							
Blueberry claims	80,000	21,600	--	--	--	--	21,600
Options exercised	100,000	20,772	--	--	(8,772)	--	12,000
Share-based payments	--	--	--	--	480,229	--	480,229
Net loss for the year	--	--	--	--	--	(4,883,290)	(4,883,290)
Balance, March 31, 2012	152,642,916	\$ 32,589,847	\$ --	\$ 2,836,637	\$ 4,506,782	\$ (38,765,013)	\$ 1,168,253

See accompanying notes to consolidated financial statements.

CREAM MINERALS LTD.

(An exploration stage company)

Consolidated Statements of Cash Flows

(Expressed in Canadian dollars)

	For the years ended March 31,	
	2012	2011
Cash provided by (used in):		
Operations		
Net loss for the year	\$ (4,883,290)	\$ (4,605,246)
Items not involving cash		
Depreciation	15,518	(10,961)
Share-based payments	480,229	1,780,814
Foreign exchange	19,749	1,139
Finance costs	--	(44,455)
Loss on marketable securities	2,596	--
Gain on marketable securities	--	(3,571)
Write-off of exploration and evaluation assets	440,812	12,806
Changes in non-cash operating assets and liabilities		
Amounts receivable and prepaid expenses	(1,135)	(31,459)
Foreign value-added taxes recoverable	(383,359)	4,162
Accounts payable and accrued liabilities	(94,293)	(267,459)
Accounts payable, related parties	(231,099)	(384,476)
Cash used in operating activities	(4,634,272)	(3,548,706)
Investing activities		
Exploration and evaluation assets	(32,687)	(46,821)
Proceeds (purchase) of short-term investments	4,161,906	(4,325,000)
Proceeds on sale of marketable securities	5,587	--
Reclamation bonds recovered	3,000	--
Interest on short-term investments	(429)	(11,906)
Equipment acquisitions	(22,069)	(36,455)
Cash provided by (used in) investing activities	4,115,308	(4,420,182)
Financing activities		
Common shares	363,356	9,317,022
Net settlements with related party	--	(1,128,131)
Cash provided by financing activities	363,356	8,188,891
(Decrease) increase in cash during the year	(155,608)	220,003
Cash, beginning of year	448,109	228,106
Cash, end of year	\$ 292,501	\$ 448,109
Supplemental information		
Shares issued for exploration and evaluation assets	\$ 21,600	\$ 6,400
Non-cash portion of warrants exercised	\$ 85,919	\$ 198,455
Non-cash portion of options exercised	\$ 8,772	\$ 36,851
Finders' shares issued	\$ --	\$ 12,960

See accompanying notes to consolidated financial statements.

CREAM MINERALS LTD.

(An exploration stage company)

Notes to the Consolidated Financial Statements

For the years ended March 31, 2012 and 2011

(Expressed in Canadian dollars)

1. Nature of Operations and Going Concern

Cream Minerals Ltd. (the "Company") was incorporated on October 12, 1966 in the Province of British Columbia under the Business Corporations Act of British Columbia, and its principal business activity is the exploration of mineral properties in Mexico and Canada.

The Company's head office, principal address and registered and records office is 1400 – 570 Granville Street, Vancouver, B.C., Canada, V6P 3P1.

The Company's continuing operations and underlying value and recoverability of the amounts shown for exploration and evaluation assets are entirely dependent upon the existence of economically recoverable mineral reserves, the ability of the Company to obtain the necessary financing to complete the exploration and development of its mineral property interests and on future profitable production or proceeds from the disposition of the mineral property interest or other interests.

The consolidated financial statements have been prepared on the basis of accounting principles applicable to a going concern. This assumes the Company will operate for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations. The Company has incurred operating losses since inception, has no source of operating cash flow, minimal income from short-term investments, and there can be no assurances that sufficient funding, including adequate financing, will be available to explore its mineral properties and to cover general and administrative expenses necessary for the maintenance of a public company. The ability of the Company to arrange additional financing in the future depends in part, on the prevailing capital market conditions and mineral property exploration success. These factors cast substantial doubt on the Company's ability to continue as a going concern. Accordingly, the financial statements 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, contingent obligations and commitments other than in the normal course of business and at amounts different from those in the financial statements.

2. Significant Accounting Policies

(a) Statement of Compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") which the Company has adopted in its annual consolidated financial statements as at and for the year ended March 31, 2012. Previously the Company prepared its annual consolidated financial statements in accordance with Canadian Generally Accepted Accounting Principles ("CGAAP"). The significant accounting policies are presented in this note and have been consistently applied in each of the years presented.

The Company's transition date to IFRS and its opening IFRS consolidated statement of financial position are as at April 1, 2010 (the "Transition Date"). An explanation of how the transition to IFRS on the Transition Date has affected the reported financial position and financial performance of the Company is provided in Note 17, which includes reconciliations of the Company's consolidated statements of financial position, operations and comprehensive loss for comparative periods prepared and previously report in accordance with CGAAP, to those prepared and reported in these consolidated financial statements in accordance with IFRS.

CREAM MINERALS LTD.

(An exploration stage company)

Notes to the Consolidated Financial Statements

For the years ended March 31, 2012 and 2011

(Expressed in Canadian dollars)

2. Significant Accounting Policies (Continued)

(b) Basis of Measurement and Presentation

These consolidated financial statements have been prepared using the historical cost convention using the accrual basis of accounting except for some financial instruments which have been measured at fair value. In the opinion of management, all adjustments (including normal recurring accruals) considered necessary for a fair presentation have been included.

(c) Basis of Consolidation

These consolidated financial statements incorporate the financial statements of the Company and its wholly-owned subsidiary, Cream Minerals de Mexico, S.A. de C.V., a Mexican corporation. The subsidiary is fully consolidated from the date of acquisition, being the date on which the Company obtained control, and will continue to be consolidated until the date that such control ceases. The financial statements of the subsidiary are prepared for the same reporting period as the Company, using consistent accounting policies. All intercompany transactions and balances were eliminated on consolidation.

(d) Short-term Investments

Short-term investments comprise of investments in guaranteed investment certificates due to mature within one year from the date of initial acquisition and are classified as fair value through profit or loss and recorded at fair value with realized and unrealized gains and losses reported in the consolidated statement of operations and comprehensive loss.

(e) Exploration and Evaluation Assets

Exploration and evaluation acquisition costs are considered assets and capitalized at cost. When shares are issued as consideration for exploration and evaluation asset costs, they are valued at the closing share price on the date of issuance. Payments relating to a property acquired under an option or joint venture agreement, where payments are made at the sole discretion of the Company, are recorded in the accounts upon payment. When the technical and commercial viability of a mineral interest has been demonstrated and a development decision has been made, accumulated expenses will be tested for impairment before they are reclassified to assets and amortized on a unit of production basis over the useful life of the ore body following commencement of commercial production.

Costs incurred before the Company has obtained the legal rights to explore an area are expensed. Mineral property exploration and evaluation expenditures are expensed until the property reaches the development stage.

The recoverability of the amounts capitalized for exploration and evaluation assets is dependent upon the determination of economically recoverable mineral deposits, confirmation of the Company's interest in the underlying mineral claims, the ability to obtain the necessary financing to complete their development, and future profitable production or proceeds from the disposition thereof. If it is determined that exploration and evaluation assets are not recoverable, the property is abandoned, or management has determined an impairment in value, the property is written down to its estimated recoverable amount.

CREAM MINERALS LTD.

(An exploration stage company)

Notes to the Consolidated Financial Statements

For the years ended March 31, 2012 and 2011

(Expressed in Canadian dollars)

2. Significant Accounting Policies (Continued)

(f) Financial Instruments and Risk Management

All financial instruments are classified into one of five categories: fair value through profit or loss, held-to-maturity investments, loans and receivables, available-for-sale financial assets or other financial liabilities. All financial instruments are measured in the statement of financial position at fair value except for loans and receivables, held-to-maturity investments and other financial liabilities which are measured at amortized cost. Subsequent measurement and changes in fair value will depend on their initial classification. Fair value through profit or loss financial assets is measured at fair value and changes in fair value are recognized in net income. Available-for-sale financial instruments are measured at fair value with changes in fair value recorded in other comprehensive income until the instrument is derecognized or impaired.

The Company has classified cash, short-term investments, and marketable securities as fair value through profit or loss. Amounts receivable are classified as loans and receivables. Accounts payable and accrued liabilities and due to related parties are classified as other financial liabilities. Management did not identify any material embedded derivatives, which require separate recognition and measurement.

Disclosures about the inputs to financial instrument fair value measurements are made within a hierarchy that prioritizes the inputs to fair value measurement.

The three levels of the fair value hierarchy are:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and

Level 3 – Inputs that are not based on observable market data.

Financial instruments are exposed to credit, liquidity and market risks. Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. Market risk is that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of price risk: currency risk, interest rate risk and other price risk.

Credit risk and liquidity risk on amounts due to creditors and amounts due from/to related parties were significant to the Company's statement of financial position. The Company manages these risks by actively pursuing additional share capital issuances to settle its obligations in the normal course of its operating, investing and financing activities. The Company's ability to raise share capital is indirectly related to changing metal prices and the price of silver and gold in particular.

CREAM MINERALS LTD.

(An exploration stage company)

Notes to the Consolidated Financial Statements

For the years ended March 31, 2012 and 2011

(Expressed in Canadian dollars)

2. Significant Accounting Policies (Continued)

(g) Equipment

Equipment is recorded at cost and depreciated over its estimated useful life. The cost of an item includes the purchase price and directly attributable costs to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Where an item of equipment comprises major components with different useful lives, the components are accounted for as separate items of equipment.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to the statement of operations and comprehensive loss during the financial period in which they are incurred.

Depreciation is recognized using the straight-line basis over the estimated useful lives of the various classes of equipment, ranging from three to five years. Depreciation methods, useful lives and residual values are reviewed at each financial year end and are adjusted if appropriate.

(h) Impairment of Tangible and Intangible Assets

At the end of each reporting period, the Company's assets are reviewed to determine whether there is any indication that the assets may be impaired. If such indication exists, the recoverable amount of the identified asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less cost to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in profit or loss for the period. For an asset that does not generate largely independent cash flows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior reporting periods. A reversal of an impairment loss is recognized immediately in profit or loss.

Management estimates of mineral prices, recoverable reserves, and operating, capital and restoration costs are subject to certain risks and uncertainties that may affect the recoverability of exploration and evaluation assets. A mining enterprise is required to consider the conditions for impairment write-down. The conditions include significant unfavourable economic, legal regulatory, environmental, political and other factors. In addition, management's development activities towards its planned principal operations are a key factor considered as part of the ongoing assessment of the recoverability of the carrying amount of exploration and evaluation assets. Whenever events or changes in circumstances indicate that the carrying amount of a mineral property in the exploration stage may be impaired, the capitalized costs are written down to the estimated recoverable amount. Although management has made its best estimate of these factors, it is possible that changes could occur in the near term that could adversely affect management's estimate of the net cash flow to be generated from its projects.

CREAM MINERALS LTD.

(An exploration stage company)

Notes to the Consolidated Financial Statements

For the years ended March 31, 2012 and 2011

(Expressed in Canadian dollars)

2. Significant Accounting Policies (Continued)

(i) Investment in Associate

The equity method of accounting is used to account for the Company's investment in associate where the Company has significant influence. The investment is initially recorded at cost and is subsequently adjusted to reflect the investor's share of the net profit or loss of the associate.

(j) Income Taxes

Income tax expense comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity. Current tax expense is the expected tax payable on taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is recorded using the liability method, providing for temporary differences, between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Temporary differences are not provided for goodwill that is not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting or taxable loss, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the statement of financial position date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. To the extent that the Company does not consider it probable that a deferred tax asset will be recovered, it provides a valuation allowance against that excess.

(k) Foreign Currency Translation

The functional currency of an entity is the currency of the primary economic environment in which the entity operates. The functional currency of the Company and its subsidiary is the Canadian dollar. The functional currency determinations were made through an analysis of the consideration factors identified in IAS 21, *The Effects of Changes in Foreign Exchange Rates*.

Transactions in currencies other than the Canadian dollar are recorded at exchange rates prevailing on the dates of the transactions. At the end of each reporting period, monetary assets and liabilities denominated in foreign currencies are translated at the period end exchange rate while non-monetary assets and liabilities are translated at historical rates. Revenue and expenses are translated at the exchange rates approximating those in effect on the date of the transactions. Exchange gains and losses arising on translation are included in the consolidated statement of operations.

CREAM MINERALS LTD.

(An exploration stage company)

Notes to the Consolidated Financial Statements

For the years ended March 31, 2012 and 2011

(Expressed in Canadian dollars)

2. Significant Accounting Policies (Continued)

(l) Share-based Payments

The Company accounts for stock options issued to employees at the fair value determined on the grant date using the Black-Scholes option pricing model. The fair value of the options is recognized as an expense using the graded vesting method where the fair value of each tranche is recognized over its respective vesting period. When stock options are forfeited prior to becoming fully vested, any expense previously recorded is reversed.

Share-based payments made to non-employees are measured at the fair value of the goods or services received or the fair value of the equity instruments issued, if it is determined that the fair value of the goods or services cannot be reliably measured. These payments are recorded at the date the goods and services are received.

Warrants issued are recorded at estimated fair values determined on the grant date using the Black-Scholes model. If and when the stock options or warrants are ultimately exercised, the applicable amounts of their fair values in the reserves account are transferred to share capital.

(m) Net Loss per Common Share

Basic loss per common share is calculated by dividing the loss available to common shareholders by the weighted average number of common shares outstanding during the period. Dilutive earnings per share reflect the potential dilution of securities that could share in the earnings of an entity. In periods where a net loss is incurred, potentially dilutive common shares are excluded from the loss per share calculation as the effect would be anti-dilutive and basic and diluted loss per common share is the same. In a profit year, under the treasury stock method, the weighted average number of common shares outstanding used for the calculation of diluted earnings per share assumes that the proceeds to be received on the exercise of dilutive stock options and warrants are used to repurchase common shares at the average price during the period.

(n) Flow-through Shares

Share capital includes flow-through shares which is a unique Canadian tax incentive pursuant to certain provisions of the Canadian Income Tax Act. Proceeds from the issuance of flow-through shares are used to fund qualified Canadian exploration and evaluation projects and the related income tax deductions are renounced to the subscribers of the flow-through shares. The premium paid for flow-through shares in excess of the market value of the shares without flow-through features, at the time of issue, is credited to other liabilities and recognized in income at the time qualifying expenditures are incurred. The Company also recognizes a deferred tax liability with a corresponding charge in the statement of operations when the qualifying exploration and evaluation expenditures are renounced. If the Company has sufficient tax assets to offset the deferred tax liability, the liability will be offset by the recognition of a corresponding deferred tax asset and recovery of deferred income taxes through profit or loss in the reporting period.

Proceeds received from the issuance of flow-through shares are restricted to be used only for Canadian resource property exploration expenditures within a two-year period. The portion of the proceeds received but not yet expended at the end of the Company's period is disclosed separately as flow-through expenditure commitments.

CREAM MINERALS LTD.

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2. Significant Accounting Policies (Continued)

(n) Flow-through Shares (Continued)

The Company may also be subject to a Part XII.6 tax on flow-through proceeds, renounced under the Look-back Rule, in accordance with Government of Canada flow-through regulations. When applicable, this tax is accrued as a financial expense until paid.

(o) Decommissioning Liabilities

The Company is subject to various government laws and regulations relating to environmental disturbances caused by exploration and evaluation activities. The Company records the present value of the estimated costs of legal and constructive obligations required to restore the exploration sites in the period in which the obligation is incurred. The nature of the rehabilitation activities includes restoration, reclamation and re-vegetation of the affected exploration sites.

The rehabilitation provision generally arises when the environmental disturbance is subject to government laws and regulations. When the liability is recognized, the present value of the estimated costs is capitalized by increasing the carrying amount of the related mining assets. Over time, the discounted liability is increased for the changes in present value based on current market discount rates and liability specific risks.

Additional environmental disturbances or changes in rehabilitation costs will be recognized as additions to the corresponding assets and rehabilitation liability in the period in which they occur.

(p) New Standards Not Yet Adopted

The following new standards, amendments to standards and interpretations have been issued but are not effective during the period ended March 31, 2012:

- | | |
|----------------------|---|
| • IFRS 9 | New financial instruments standard that replaces IAS 39 for classification and measurement of financial assets ⁽ⁱⁱⁱ⁾ |
| • IFRS 10 | New standard to establish principles for the presentation and preparation of consolidated financial statements when an entity controls multiple entities ⁽ⁱ⁾ |
| • IFRS 11 | New standard to account for the rights and obligations in accordance with a joint agreement ⁽ⁱ⁾ |
| • IFRS 12 | New standard for the disclosure of interests in other entities not within the scope of IFRS 9/IAS 39 ⁽ⁱ⁾ |
| • IFRS 13 | New standard on the measurement and disclosure of fair value ⁽ⁱ⁾ |
| • IAS 1 (Amendment) | Presentation of other comprehensive income ⁽ⁱⁱ⁾ |
| • IAS 28 (Amendment) | New standard issued that supersedes IAS 28 (2003) to prescribe the accounting for investments in associates and joint ventures ⁽ⁱ⁾ |

- (i) Effective for annual periods beginning on or after January 1, 2013
- (ii) Effective for annual periods beginning on or after July 1, 2012
- (iii) Effective for annual periods beginning on or after January 1, 2015

The Company anticipates that the application of these standards, amendments and interpretations will not have a material impact on the results and financial position of the Company.

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Notes to the Consolidated Financial Statements

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3. Critical Accounting Judgments and Estimates

The preparation of financial statements requires management to make judgments and estimates that affect the amounts reported in the financial statements and notes. By their nature, these judgments and estimates are subject to change and the effect on the financial statements of changes in such judgments and estimates in future periods could be material. These judgments and estimates are based on historical experience, current and future economic conditions, and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results could differ from these judgments and estimates. The more significant areas are as follows:

a) Foreign Value-added Taxes Recoverable

The Company's estimate of foreign value-added taxes recoverable represents management's best estimate of the amounts expected to be recovered from the Mexican government.

b) Intangible Exploration and Evaluation Assets

Management is required to assess impairment in respect of intangible exploration and evaluation assets. Note 5 discloses the carrying value of such assets. The triggering events for exploration and evaluation assets are defined in IFRS 6 *Exploration for and Evaluation of Mineral Properties* and are as follows:

- the period for which the entity has the right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed;
- substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned;
- exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area;
- sufficient data exist to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

In making the assessment, management is required to make judgments on the status of each project and the future plans towards finding commercial reserves. The nature of exploration and evaluation activity is such that only a proportion of projects are ultimately successful and some assets are likely to become impaired in future periods.

c) Foreign Currency

The Company applied judgment in determining the functional currency of the Company and its subsidiary. Functional currency was determined based on the currency in which funds are provided to its subsidiary and the degree of dependence on the Company for financial support.

d) Accrued Liabilities

The Company has applied judgment in recognizing accrued liabilities, including judgment as to whether the Company has a present obligation (legal or constructive) as a result of a past event; whether it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and whether a reliable estimate can be made of the amount of the obligation.

CREAM MINERALS LTD.

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Notes to the Consolidated Financial Statements

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(Expressed in Canadian dollars)

4. Amounts Receivable and Prepaid Expenses

	March 31, 2012	March 31, 2011	April 1, 2010
Harmonized Sales Tax receivable	\$ 35,597	\$ 50,497	\$ 9,907
Prepayments and amounts receivable	52,082	36,047	109,178
Total	\$ 87,679	\$ 86,544	\$ 119,085

5. Exploration and Evaluation Assets

Detailed exploration and evaluation expenditures incurred in respect to the Company's mineral property interests owned, leased or held under option are disclosed in Note 16. Property payments made on the Company's mineral property interests during the years ended March 31, 2012 and March 31, 2011 are included in the table below.

	Goldsmith And Other Properties BC (b)	Manitoba Properties, Manitoba (c)	Kaslo Silver Property, BC (d)	Total Acquisition Costs
Balance, April 1, 2010	\$ 188,903	\$ 253,967	\$ 11,983	\$ 454,853
Additions	24,334	16,400	824	41,558
Write-downs	--	--	(12,806)	(12,806)
Balance, March 31, 2011	213,237	270,367	1	483,605
Additions	287	54,000	--	54,287
Write-downs	(213,524)	(227,287)	(1)	(440,812)
Balance, March 31, 2012	\$ --	\$ 97,080	\$ --	\$ 97,080

(a) Goldsmith and Lucky Jack Properties, British Columbia, Canada

The Company holds a 100% interest in the Goldsmith property and an option to acquire 100% of the Lucky Jack property, both comprising the Goldsmith property located near Kaslo, British Columbia. The property has been written down to \$Nil as there are no future plans to continue with exploration.

(b) Manitoba Properties

(i) Stephens Lake and Stephens Trout Property

The Company holds, jointly with Sultan Minerals Inc. and ValGold Resources Ltd. ("ValGold"), a 75% interest in two staked claims. The property has been written down to \$Nil as there are no future plans to continue with exploration.

(ii) Wine Claims

In March 2006, the Company entered into an option agreement, subsequently amended, to acquire 100% interest in the Wine Claim, MB 3964 and Wine 1 Claim, all located approximately 60 kilometres southeast of Flin Flon, Manitoba. The property has been written down to \$Nil as there are no future plans to continue with exploration.

CREAM MINERALS LTD.

(An exploration stage company)

Notes to the Consolidated Financial Statements

For the years ended March 31, 2012 and 2011

(Expressed in Canadian dollars)

5. Exploration and Evaluation Assets (Continued)

(b) Manitoba Properties (Continued)

(iii) Blueberry Property

In November 2009, the Company entered into an option agreement to acquire the Blueberry property and the Company staked additional claims which have been appended to the option agreement. The property is located approximately 30 km north-east of Flin Flon, Manitoba. During the year ended March 31, 2012, a cash payment of \$20,000 was paid and 80,000 shares were issued to comply with the option agreement.

(c) Kaslo Silver Property, Kaslo, British Columbia, Canada

The 100% owned Kaslo Silver Property, a silver target, hosts eleven historic high-grade silver deposits within 14 kilometres of sub-parallel shear zones. Although the Company plans a review of geological data compiled to date, and a property site visit was done during the year ended March 31, 2012, the property was written down to \$Nil as no significant exploration work is planned for fiscal 2012.

6. Foreign Value-added Taxes Recoverable

The foreign value-added taxes recoverable relates to value-added taxes paid on the purchase of goods and services in Mexico. These amounts are presented as a long-term asset as the Mexican authorities take longer than one year to verify the recoverable amounts and issue refunds.

7. Equipment

	Vehicles	Office Equipment	Computer Equipment	Total
Cost				
Balance, April 1, 2010	\$ 36,597	\$ 1,059	\$ 13,343	\$ 50,999
Additions (disposals)	39,666	91	(1,637)	38,120
Balance, March 31, 2011	76,263	1,150	11,706	89,119
Additions	12,758	1,079	8,232	22,069
Balance, March 31, 2012	89,021	2,229	19,938	111,188
Accumulated amortization				
Balance, April 1, 2010	34,936	680	11,449	47,065
Amortization	(9,401)	239	(1,799)	(10,961)
Balance, March 31, 2011	25,535	919	9,650	36,104
Amortization	12,079	258	3,181	15,518
Balance, March 31, 2012	37,614	1,177	12,831	51,622
Carrying amounts				
As at April 1, 2010	1,661	379	1,894	3,934
As at March 31, 2011	50,728	231	2,056	53,015
As at March 31, 2012	\$ 51,407	\$ 1,052	\$ 7,107	\$ 59,566

CREAM MINERALS LTD.

(An exploration stage company)

Notes to the Consolidated Financial Statements

For the years ended March 31, 2012 and 2011

(Expressed in Canadian dollars)

8. Accounts Payable and Accrued Liabilities

	March 31, 2012	March 31, 2011	April 1, 2010
Trade payables	\$ 42,760	\$ 225,964	\$ 307,617
Accrued liabilities	115,181	26,270	230,967
Totals	\$ 157,941	\$ 252,234	\$ 538,584

9. Related Party Transactions and Balances

Remuneration of directors and key management personnel of the Company was as follows for the years ended March 31, 2012 and 2011:

	For the years ended March 31,	
	2012	2011
<i>Cream Minerals Limited</i>		
Salaries and benefits	\$ 295,412	\$ 311,942
Directors fees (1)	58,500	32,500
Share-based payments (1)	254,949	528,988
<i>Cream Minerals de Mexico, S.A. de C.V.</i>		
Salaries and benefits (2)	120,000	141,838
Share-based payments (2)	--	235,106

(1) Directors are entitled to director fees and stock options for their services.

(2) Salaries and benefits and share-based payments have been recorded as exploration costs related to the Nuevo Milenio project.

Other related party transactions for the years ended March 31, 2012 and 2011 and related party balances as at March 31, 2012, March 31, 2011 and April 1, 2010 were as follows:

	For the years ended March 31,	
	2012	2011
Quorum Management and Administrative Services Inc. ("Quorum") (a)	\$ 565,319	\$ 529,434
Consulting and directors fees (b)	22,500	30,000
Finance costs (c)	--	19,545

CREAM MINERALS LTD.

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Notes to the Consolidated Financial Statements

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(Expressed in Canadian dollars)

9. Related Party Transactions and Balances (Continued)

Balances at:	March 31, 2012	March 31, 2011	April 1, 2010
Quorum (a)			
Deposits	\$ 189,963	\$ 64,000	\$ --
Payables:			
Quorum (a)	59,008	40,075	276,333
Directors (d)	29,882	153,951	232,564
Lang Mining Corporation (d)	--	--	94,500
Ainsworth Jenkins – Casierra project (b)	--	--	39,109
Mr. Frank A. Lang, interest bearing (b)	--	--	337,100
Mr. Frank A. Lang, advances (b)	--	--	720,000
Mr. Frank A. Lang, accrued interest (b)	--	--	44,272
Mr. Frank A. Lang, expenses payable (b)	--	--	7,209

- (a) Management, administrative, and other services are provided by Quorum, a private company held jointly, with a one-third interest each, by the Company and two other public companies, ValGold and Emgold Mining Corporation (“Emgold”). Quorum provides services on a full cost recovery basis to the various entities sharing office space with the Company.

During Q1 2012, the Company advanced \$137,000 to Quorum for prepayment of their services. The Company also re-negotiated Quorum’s fees and received a credit of \$218,000 resulting in a net credit balance of \$355,000 as at June 30, 2011. The net credit was recorded as: (1) \$170,000 to “deposits, related party” for three months of estimated working capital in accordance with the terms of the Company’s agreement with Quorum (“the Agreement”); and (2) \$185,000 to offset invoices in fiscal 2012.

Subsequent to March 31, 2012, the shareholders of Quorum made the decision to wind up the company effective August 31, 2012.

- (b) Included in consulting and directors fees are legal fees to Kent Avenue Consulting Ltd., a private company controlled by a director, Sargent H. Berner. These fees were paid through Quorum, and are also included in the balance for services provided by Quorum.

Frank A. Lang holds approximately 33% of the issued and outstanding shares of Casierra Diamond Corporation, incorporated in British Columbia and its wholly-owned subsidiary company, Casierra Development Fund Inc. (“Casierra”), also incorporated in British Columbia, which held an interest in two prospecting licence areas for diamonds and other minerals and metals in Sierra Leone, West Africa, previously held by the Company. Mr. Lang previously advanced money to the Company, with no specified terms of repayment. All debt owing to Mr. Lang and Casierra, was repaid during the year ended March 31, 2011.

- (c) The directors balance includes fees and expenses owing to directors, as well as any salaries accrued to Fred Holcapek, a director of the Company and an officer of the subsidiary in Mexico, Cream Minerals de Mexico, S.A. de C.V., for administrative and geological services rendered.
- (d) Lang Mining Corporation (“Lang Mining”) is a private company controlled by Mr. Lang. Lang Mining provided management services to the Company while Mr. Lang was president of the Company. At December 31, 2008, the fees were terminated. The balance owing to Lang Mining relates to accruals made for these past services. These fees were paid during the year ended March 31, 2011.

CREAM MINERALS LTD.

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Notes to the Consolidated Financial Statements

For the years ended March 31, 2012 and 2011

(Expressed in Canadian dollars)

10. Expenses by Nature

Included in general and administrative expenses are the following:

	For the years ended March 31,	
	2012	2011
Amortization	\$ 2,382	\$ 865
Office and administration	139,690	169,200
Credit for Quorum fees (Note 9a)	(218,144)	--
Travel and conferences	67,244	7,886
Totals	\$ (8,828)	\$ 177,951

11. Share Capital

Authorized

Unlimited number of common shares without par value.

Issued and Fully Paid

152,642,916 common shares at March 31, 2012.

On April 13, 2010, the Company completed a private placement of a total of 22,963,214 units at a price of \$0.07 per unit for gross proceeds of \$1,607,425. Each unit is comprised of one common share and one non-transferable share purchase warrant. Each warrant entitles the holder to purchase one additional common share of the Company for a period of 24 months at the exercise price of \$0.10 for a period of 12 months from the date of issue of the warrant and at a price of \$0.15 for the remaining 12-month period. Compensation was paid to certain eligible arms-length parties in an amount equal to 10% of the total proceeds raised from the sale of the units to subscribers, and payable at their election in cash or units of the Company or a combination thereof. A cash commission of \$59,185 was paid, and a total of 144,000 finder's units were issued. The finder's units have the same terms as the units. The finder's warrants and share purchase warrants were valued using a Black Scholes option pricing model using the following assumptions: weighted average risk free interest rate of 1.15%-1.98%, volatility factors of 94%-131% and an expected life of 2 years. The total value ascribed to the finder's warrants and share purchase warrants was \$659,782.

If the Company's common shares trade at or above \$0.30 per share for 10 consecutive trading days, the Company may, at its discretion, accelerate the expiration of the warrants (and including the warrants forming part of the finder's units) by providing notice in writing to the holders of such securities, whereby such warrants will expire within 30 days from the date of such written notice. Mr. Frank A. Lang, a former President and director and the former Non-Executive Chairman of the Company who resigned subsequent to the fiscal year end, acquired 5,100,000 units in the private placement for the subscription price of \$357,000.

CREAM MINERALS LTD.

(An exploration stage company)

Notes to the Consolidated Financial Statements

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11. Share Capital (Continued)

Issued and Fully Paid (Continued)

On December 21, 2010, the Company completed a bought deal financing of a total of 37,500,000 units at a price of \$0.16 per unit for gross proceeds of \$6,000,000. Each unit consisted of one common share of the Company and one common share purchase warrant. Each warrant entitles the holder thereof to acquire one common share of the Company at an exercise price of \$0.24 per common share until December 21, 2012, provided that if after four months and one day following the Closing Date, the closing price of the common shares of the Company traded on the TSX Venture Exchange, close at a price in excess of \$0.60 per common share for 20 consecutive days, the Company will be able to accelerate the expiry of the warrants to the date that is 30 days after notice of the new expiry date is provided to the holders of the warrants. The share purchase warrants were valued using a Black Scholes option pricing model using the following assumptions: weighted average risk free interest rate of 1.64%, volatility factors of 102.24% and an expected life of 2 years. The total value ascribed to the share purchase warrants was \$2,073,168.

Compensation was paid to certain eligible arms-length parties in an amount equal to 8% of the total proceeds raised from the sale of the units to subscribers, and payable in cash. A cash commission of \$480,000 was paid, and a total of 3,750,000 finder's units were issued. Each finder's warrant entitles the warrant holder to acquire one common share and warrant at a price of \$0.16 until December 21, 2012. The warrant entitles the holder to acquire an additional warrant at a price of \$0.24 until December 21, 2012. The finder's warrants were valued using a Black Scholes option pricing model using the following assumptions: weighted average risk free interest rate of 1.33%-1.64%, volatility factors of 97.46%-102.24% and an expected life of 2 years. The total value ascribed to the finder's warrants was \$755,565.

Stock options

The Company has a 10% rolling stock option plan for its directors, employees and consultants to acquire common shares of the Company at a price determined by the fair market value of the shares at the date of grant. The Company's stock option plan provides for immediate vesting, or vesting at the discretion of the Board at the time of the option grant and are exercisable for a period of up to 10 years.

Stock options granted to investor relations' consultants vest over a twelve month period, with one quarter of such options vesting in each three month period.

The Company granted 2,300,000 stock options during the twelve months ended March 31, 2012. Of this amount, 600,000 stock options were granted to an employee, 500,000 stock options were for investor relations services, and 1,200,000 were granted to directors of the Company.

CREAM MINERALS LTD.

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Notes to the Consolidated Financial Statements

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11. Share Capital (Continued)

Stock options (Continued)

The fair value of the stock options granted was estimated on the date of the grants using the Black-Scholes model with the following weighted average assumptions:

Number Granted	Grant Date	Expiry Date	Exercise Price	Risk-free Interest Rate	Expected Life in Years	Expected Volatility	Fair Value per Option
600,000	June 1, 2011	June 1, 2016	\$ 0.22	2.23%	5	104.44%	\$ 0.17
500,000	June 2, 2011	June 2, 2016	\$ 0.23	2.30%	5	113.50%	\$ 0.16
1,200,000	June 23, 2011	June 23, 2016	\$ 0.16	2.09%	5	107.89%	\$ 0.13

The following table summarizes information on stock options outstanding at March 31, 2012:

Exercise Price	Number Outstanding	Number Exercisable	Average Remaining Contractual Life
\$ 0.50	1,001,500	1,001,500	* 0.05 years
\$ 0.50	150,000	150,000	0.68 years
\$ 0.12	1,560,000	1,560,000	1.87 years
\$ 0.38	6,375,000	6,375,000	**3.93 years
\$ 0.22	600,000	600,000	4.17 years
\$ 0.23	500,000	375,000	4.18 years
\$ 0.16	1,200,000	1,200,000	4.23 years
	11,386,500	11,261,500	3.32 years

* Expired subsequent to year-end.

** 400,000 forfeited subsequent to year-end.

A summary of the changes in stock options for the years ended March 31, 2012 and 2011 is presented below:

	Number of Shares	Weighted Average Exercise Price
Balance, March 31, 2010	4,851,500	\$ 0.29
Granted	6,575,000	0.38
Exercised	(420,000)	0.12
Expired	(715,000)	0.17
Forfeited	(385,000)	0.45
Balance, March 31, 2011	9,906,500	0.36
Granted	2,300,000	0.19
Exercised	(100,000)	0.12
Cancelled/forfeited	(720,000)	0.48
Balance, March 31, 2012	11,386,500	0.32
Vested and exercisable at March 31, 2012	11,261,500	\$ 0.32

CREAM MINERALS LTD.

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Notes to the Consolidated Financial Statements

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11. Share Capital (Continued)

Warrants

As at March 31, 2012, the following share purchase warrants issued in connection with private placements were outstanding:

Number of Warrants	Exercise Price	Expiry Dates
5,758,500	\$0.15 *	April 13, 2012
40,900,000	\$0.24	December 21, 2012
3,750,000	\$0.16	December 21, 2012
50,408,500		

* 2,697,666 exercised and 3,060,834 expired subsequent to year-end.

A summary of the changes in warrants for the years ended March 31, 2012 and 2011, is presented below:

	Number of Warrants	Weighted Average Exercise Price
Balance, March 31, 2010	9,834,400	\$ 0.20
Issued	68,107,214	0.19
Exercised	(23,680,143)	0.19
Expired	(854,400)	0.20
Balance, March 31, 2011	53,407,071	0.22
Exercised	(2,998,571)	0.16
Balance, March 31, 2012	50,408,500	\$ 0.22

12. Segmented Information

Operating Segments

The Company has one operating segment, which is the exploration and evaluation of mineral properties.

Geographic Segments

The Company's principal operations are carried out in Canada and Mexico. The majority of investment income is earned in Canada. Segmented assets by geographical location are as follows:

Statement of Financial Position March 31, 2012	Canada	Mexico	Total
Total Assets	\$ 729,798	\$ 685,286	\$ 1,415,084
Current Assets	\$ 476,747	\$ 78,862	\$ 555,609
Long-term Assets	\$ 245,508	\$ 613,967	\$ 859,475

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12. Segmented Information (Continued)

Geographic Segments (Continued)

Statement of Financial Position March 31, 2011	Canada	Mexico	Total
Total Assets	\$ 5,220,739	\$ 411,879	\$ 5,632,618
Current Assets	\$ 4,654,611	\$ 225,131	\$ 4,879,742
Long-term Assets	\$ 566,128	\$ 186,748	\$ 752,876

Statement of Financial Position April 1, 2010	Canada	Mexico	Total
Total Assets	\$ 786,697	\$ 200,142	\$ 986,839
Current Assets	\$ 293,764	\$ 58,039	\$ 351,803
Long-term Assets	\$ 492,933	\$ 142,103	\$ 635,036

Segmented expenses by geographical location are as follows:

March 31, 2012	Canada	Mexico	Total
Exploration and evaluation costs	\$ 236,221	\$ 2,526,898	\$ 2,763,119
Other expenses	2,161,089	--	2,161,089
Total expenses	\$ 2,397,310	\$ 2,526,898	\$ 4,924,208

March 31, 2011	Canada	Mexico	Total
Exploration and evaluation costs	\$ 714,237	\$ 987,913	\$ 1,702,150
Other expenses	2,920,242	--	2,920,242
Total expenses	\$ 3,634,479	\$ 987,913	\$ 4,622,392

13. Income Taxes

The income taxes shown in the consolidated statements of operations differ from the amounts obtained by applying statutory rates to the loss before income taxes due to the following:

	2012	2011
Loss for the year	\$ 4,883,290	\$ 4,605,246
Statutory tax rate	26.13%	28.01%
Expected income tax recovery	1,276,000	1,290,000
Decrease to income tax recovery due to:		
Non-deductible permanent differences	(183,000)	(552,000)
Losses not recognized	(1,061,000)	(823,000)
Other	(32,000)	85,000
Income tax recovery	\$ --	\$ --

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13. Income Taxes (Continued)

The significant components of the Company's deferred tax assets are as follows:

	March 31, 2012	March 31, 2011	April 1, 2010
Mineral property interests and equipment	\$ 2,536,000	\$ 2,419,000	\$ 2,390,000
Share issue costs	93,000	130,000	21,000
Operating losses carried forward	3,510,000	2,530,000	1,840,000
Total deferred tax assets	6,139,000	5,079,000	4,251,000
Valuation allowance for deferred tax assets	(6,139,000)	(5,079,000)	(4,251,000)
	\$ --	\$ --	\$ --

The realization of income tax benefits related to these deferred potential tax deductions is uncertain and cannot be viewed as more likely than not. Accordingly, no deferred income tax assets have been recognized for accounting purposes. The Company has Canadian non-capital losses carried forward of \$7,586,000 that may be available for tax purposes. The losses expire as follows:

Expiry date	\$
2014	405,000
2015	424,000
2026	564,000
2027	618,000
2028	928,000
2029	895,000
2030	706,000
2031	1,704,000
2032	1,342,000
Total	7,586,000

In addition, the Company has Mexican non-capital losses carried forward of approximately \$5,756,000 expiring at various dates until 2021, available to offset future Mexican-source income.

The Company has resource pools of approximately \$9,895,000 to offset future taxable income. The tax benefit of these amounts is available to be carried forward indefinitely.

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14. Financial Instruments and Risk Management

Financial assets and financial liabilities are measured on an ongoing basis at fair value or amortized cost. Cash, short-term investments and marketable securities are designated as fair value through profit or loss and is measured at fair value. Amounts receivable are designated as loans and receivables and measured at amortized cost using the effective interest rate method. Accounts payable and accrued liabilities and accounts payable, related parties are designated as other financial liabilities and measured at amortized cost using the effective interest rate method. The fair values of the Company's amounts receivable and prepaid expenses approximate their carrying values at March 31, 2012, due to their short-term nature.

The following table presents the Company's financial instruments, measured at fair value on the consolidated statements of financial position as at March 31, 2012, March 31, 2011 and April 1, 2010 and categorized into levels of the fair value hierarchy:

	Level	March 31, 2012		March 31, 2011	
		Carrying Value	Fair Value	Carrying Value	Fair Value
Cash (a)	1	\$ 292,501	\$ 292,501	\$ 448,109	\$ 448,109
Short-term investments (a)	1	175,429	175,429	4,336,906	4,336,906
Amounts receivable and prepaid expenses (a)	1	87,679	87,679	86,544	86,544
Marketable securities – public companies (b)	1	--	--	8,182	8,182
Marketable securities – private companies (c)	3	--	--	1	1
Investment in associate (d)	3	1	1	1	1
Accounts payable and accrued liabilities	2	157,941	157,941	252,234	252,234
Accounts payable, related parties (a)	2	88,890	88,890	194,026	194,026

	Level	April 1, 2010	
		Carrying Value	Fair Value
Cash (a)	1	\$ 228,106	\$ 228,106
Amounts receivable and prepaid expenses (a)	1	119,085	119,085
Marketable securities – public companies (b)	1	4,611	4,611
Marketable securities – private companies (c)	3	1	1
Investment in associate (d)	3	1	1
Accounts payable and accrued liabilities	2	538,584	538,584
Accounts payable, related parties (a)	2	1,751,087	1,751,087

- Fair value approximates the carrying amounts due to the short-term nature. During year ended March 31, 2012, short-term investments which were held in Level 2 as at March 31, 2011, were transferred to Level 1.
- Recorded at fair value. Quoted market prices are used to determine fair value. These investments were re-designated from available-for-sale to fair value through profit or loss on transition to IFRS.
- This investment was re-designated from available-for-sale to fair value through profit or loss on transition to IFRS.
- Investment relates to Quorum.

There were no other transfers from level 1 and 2 during the periods ended March 31, 2012, March 31, 2011 and April 1, 2010. There have been no transfers in or out of level 3, or changes in fair value measurements of financial instruments classified as level 3 for the years ended March 31, 2012, March 31, 2011 and April 1, 2010.

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14. Financial Instruments and Risk Management (Continued)

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its obligations. The Company's maximum exposure to credit risk at the financial position date under its financial instruments is summarized as follows:

	March 31, 2012	March 31, 2011	April 1, 2010
Amounts receivable			
Due within 90 days	\$ 35,597	\$ 50,816	\$ 8,913
Deposits, related party	189,963	64,000	--
	\$ 225,560	\$ 114,816	\$ 8,913
Cash	292,501	448,109	228,106
Short-term investments	175,429	4,336,906	--
	\$ 693,490	\$ 4,899,831	\$ 237,019

Substantially all of the Company's cash is held with major financial institutions in Canada and management believes the exposure to credit risk with such institutions is not significant. The financial assets that potentially subject the Company to credit risk are any receivables. The Company considers the risk of material loss to be significantly mitigated due to the financial strength of the major financial institutions where cash and term deposits are held. In the year ended March 31, 2012, no material provision has been recorded in respect of impaired receivables. The Company's maximum exposure to credit risk as at March 31, 2012 is the carrying value of its financial assets.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations associated with financial liabilities. The Company has a planning and budgeting process in place by which it anticipates and determines the funds required to support normal operation requirements as well as the growth and development of its mineral property interests. During the year ended March 31, 2012, the Company issued 3,178,571 common shares for gross proceeds of \$363,356, broken down as follows: 2,998,571 warrants were exercised for proceeds of \$351,357, 100,000 stock options were exercised for proceeds of \$12,000 and 80,000 were issued for exploration and evaluation assets at a deemed value of \$21,600. Further information regarding liquidity risk is set out in Note 1. The Company's financial assets are comprised of its cash, short-term investments, marketable securities, and amounts receivable and the Company's financial liabilities are comprised of its accounts payable, accrued liabilities and accounts payable, related parties, the contractual maturities of which at March 31, 2012, March 31, 2011 and April 1, 2010 are summarized as follows:

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14. Financial Instruments and Risk Management (Continued)

Liquidity risk (Continued)

	March 31, 2012	March 31, 2011	April 1, 2010
Cash	\$ 292,501	\$ 448,109	\$ 228,106
Short-term investments	175,429	4,336,906	--
Marketable securities	--	8,183	4,612
Amounts receivable -			
Within 90 days or less	35,597	50,816	8,913
Deposits from related party -			
In later than 90 days, not less than one year	189,963	64,000	--
Accounts payable and accrued liabilities with contractual maturities – Within 90 days or less	157,941	252,234	538,584
Due to related parties with contractual maturities - Within 90 days or less	88,890	194,026	1,751,087

Interest rate risk

The Company has no significant exposure at March 31, 2012 to interest rate risk through its financial instruments.

Currency risk

The Company is exposed to the financial risk related to the fluctuation of foreign exchange rates. The Company operates in Canada and Mexico and a portion of its expenses are incurred in U.S. dollars and in Mexican pesos. A significant change in the currency exchange rates between the Canadian dollar and these currencies could have an effect on the Company's results of operations, financial position or cash flows.

The Company has not hedged its exposure to currency fluctuations. At March 31, 2012, the Company is exposed to currency risk through the following assets and liabilities denominated in Mexican pesos and U.S. dollars, but presented in Canadian dollar equivalents.

	March 31, 2012	March 31, 2011
U.S. Dollars		
Cash	\$ 146,487	\$ 241,461
Accounts payable and accrued liabilities	(14,137)	(182,425)
Mexican Pesos		
Cash	8,316	36,742
Value-added taxes recoverable	497,865	134,228
Accounts payable and accrued liabilities	(10,881)	(5,038)

Based on the above net exposures at March 31, 2012, and assuming that all other variables remain constant, a 10% appreciation or depreciation of the Canadian dollar against the U.S. dollar would result in an increase/decrease of \$13,235 (March 31, 2011 - \$5,904) in the Company's loss from operations, and a 10% appreciation or depreciation of the Canadian dollar against the Mexican Pesos would result in an increase/decrease of \$49,529 (March 31, 2011 – \$16,593) in the Company's loss from operations.

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14. Financial Instruments and Risk Management (Continued)

Currency risk (Continued)

Financial assets and financial liabilities that bear interest at fixed rates are subject to fair value interest rate risk. The Company had no cash equivalents at March 31, 2012. In respect of financial assets, the Company's policy is to invest cash at floating rates of interest in order to maintain liquidity while achieving a satisfactory return. Fluctuations in interest rates impact the amount of return the Company may realize but interest rate risk is not significant to the Company. As at March 31, 2012 with other variables unchanged, a 1% change in the variable interest rates would have had an insignificant impact on the loss of the Company.

15. Management of Capital

The Company defines capital that it manages as equity. When managing capital, the Company's objective is to ensure the Company continues as a going concern as well as to achieve optimal returns to shareholders and benefits for other stakeholders. The Board of Directors does not establish a quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management team to sustain the future development of the business.

	March 31, 2012	March 31, 2011	April 1, 2010
Equity (deficiency) is comprised of:			
Share capital	\$ 32,589,847	\$ 32,110,200	\$ 24,652,771
Share subscriptions	--	--	873,475
Warrant reserve	2,836,637	2,922,556	170,613
Share-based payments reserve	4,506,782	4,035,325	2,276,786
Deficit	(38,765,013)	(33,881,723)	(29,276,477)

The Company's capital management approach is revised on an ongoing basis and reflects adjustments in light of economic conditions affecting metal markets and the mining industry in particular. Given the nature of its activities, the Company is dependent on external financing to fund its operations. To maintain or adjust the capital structure, the Company may issue new shares, options and warrants, and issue debt. There were no changes in the Company's approach to capital management during the year ended March 31, 2012. Neither the Company nor its subsidiary is subject to externally imposed capital requirements.

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16. Exploration Costs

	Kaslo Silver Property, British Columbia	Manitoba Properties, Manitoba	Nuevo Milenio Property, Mexico	Total March 31, 2012
Year ended March 31, 2012				
Incurring during the year				
Assays and analysis	\$ --	\$ --	\$ 142,656	\$ 142,656
Drilling	--	--	1,997,886	1,997,886
Geological and geophysical	19,800	2,300	284,690	306,790
Site activities	3,536	--	277,023	280,559
Travel and accommodation	15,691	--	19,537	35,228
Total Expenses March 31, 2012	\$ 39,027	\$ 2,300	\$ 2,721,792	\$ 2,763,119

	Kaslo Silver Property, British Columbia	Goldsmith and Other Properties, British Columbia	Manitoba Properties, Manitoba	Nuevo Milenio Property, Mexico	Total March 31, 2011
Year ended March 31, 2011					
Incurring during the year					
Assays and analysis	\$ --	\$ --	\$ --	\$ 8,827	\$ 8,827
Drilling	--	--	--	714,320	714,320
Geological and geophysical	408	68,451	7,078	241,170	317,107
Site activities	172	2,210	178	167,941	170,501
Share-based payments	--	--	--	440,824	440,824
Travel and accommodation	--	9,358	--	41,213	50,571
Total Expenses March 31, 2011	\$ 580	\$ 80,019	\$ 7,256	\$ 1,614,295	\$ 1,702,150

17. Transition to IFRS

For all periods up to and including the year ended March 31, 2011, the Company prepared its consolidated financial statements in accordance with CGAAP. The consolidated financial statements as at and for the year ended March 31, 2012 are the first audited statements which the Company has prepared in accordance with IFRS.

In preparing these consolidated financial statements, the opening consolidated statement of financial position was prepared as at April 1, 2010, the Company's Transition Date.

This note explains the principal adjustments made in restating the previous CGAAP consolidated balance sheet as at April 1, 2010 and its previously published CGAAP consolidated financial statements as at and for the year ended March 31, 2011.

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17. Transition to IFRS (Continued)

Exemptions applied:

The guidance for the first time adoption of IFRS is set out in IFRS 1, *First-Time Adoption of International Financial Reporting Standards*. IFRS 1 provides for certain mandatory exceptions and optional exemptions for first time adopters of IFRS. The Company has applied the following exemptions to its opening statement of financial position dated April 1, 2010:

a) Business Combinations

IFRS 1 indicates that a first-time adopter may elect not to apply IFRS 3, *Business Combinations*, retrospectively to business combinations occurred before the date of transition to IFRS. The Company has taken advantage of this election and will apply IFRS 3 to business combinations that occur on or after April 1, 2010. There is no adjustment required to the April 1, 2010 statement of financial position on the transition date.

b) Consolidated and Separate Financial Statements

In accordance with IFRS 1, if a company elects to apply IFRS 3 retrospectively, IAS 27, *Consolidated and Separate Financial Statements*, must also be applied retrospectively. As the Company elected to apply IFRS 3 prospectively, the Company has also elected to apply IAS 27 prospectively.

c) Share-based Payments

IFRS 1 encourages, but does not require, first-time adopters to apply IFRS 2, *Share-based Payments*, to equity instruments that were granted or before November 7, 2002, or equity instruments that were granted subsequent to November 7, 2002 and vested before the later of the date of transition to IFRS and January 1, 2005. The Company has elected not to apply IFRS 2 to awards that vested prior to April 1, 2010.

d) Equipment

IFRS 1 provides a choice between measuring equipment at its fair value at the date of transition and using those amounts as the deemed cost or using the historical cost valuation under CGAAP. The Company has chosen to continue to apply the cost model and has not restated equipment under IFRS.

e) Decommissioning Liabilities

The Company has elected to apply the exemption from full retrospective application of decommissioning provisions as allowed under IFRS 1. As a result, the Company has re-measured the provisions at April 1, 2010 under IAS 37, *Provisions, Contingent Liabilities and Contingent Assets*, and determined that there is no adjustment required to the April 1, 2010 statement of financial position on the transition date.

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17. Transition to IFRS (Continued)

Exemptions applied (Continued)

f) Financial Instruments

The Company has elected to designate its cash, and short-term investments as fair value through profit or loss upon recognition in accordance with an investment strategy that management uses to evaluate performance on a fair value basis. This designation had impact on the results and financial position of the Company as these financial assets were classified as held-for-trading under CGAAP and recorded at fair value.

The Company has also elected to re-designate its marketable securities from available-for-sale to fair value through profit or loss. This has resulted in reclassifications on the statements of financial position and statements of operations and comprehensive loss at the transition date and prior reporting periods shown and explained in the reconciliations below.

Additionally, in accordance with IFRS 1, an entity's estimates under IFRS at the date of transition to IFRS must be consistent with estimates made the same date under previous CGAAP, unless there is objective evidence that those estimates were in error. The Company's IFRS estimates as of April 1, 2010 are consistent with its CGAAP estimates for the same date.

Reconciliations:

The reconciliations between the previously reported financial results under CGAAP and the current reported financial results under IFRS are provided as follows:

- (i) reconciliation of the consolidated statement of financial position and equity as at April 1, 2010;
- (ii) reconciliation of the consolidated statement of financial position and equity as at March 31, 2011; and
- (iii) reconciliation of the consolidated statements of operations and comprehensive loss for the year ended March 31, 2011.

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17. Transition to IFRS (Continued)

(i) The reconciliation between CGAAP and IFRS consolidated statement of financial position as at April 1, 2010 is provided below:

April 1, 2010				
	Note	CGAAP	Effect of transition to IFRS	IFRS
Current Assets				
Cash		\$ 228,106	\$ --	\$ 228,106
Marketable securities at fair value	(b)	--	4,612	4,612
Amounts receivable and prepaid expenses		119,085	--	119,085
Non-current Assets				
Exploration and evaluation assets		347,191	4,612	351,803
Foreign value-added taxes recoverable		454,853	--	454,853
Equipment		139,556	--	139,556
Deferred finance costs		3,934	--	3,934
Investments	(b)	18,692	--	18,692
Reclamation deposits		4,613	(4,612)	1
18,000		18,000	--	18,000
Total Assets		\$ 986,839	\$ --	\$ 986,839
Current Liabilities				
Accounts payable and accrued liabilities		\$ 538,584	\$ --	\$ 538,584
Accounts payable, related parties		1,751,087	--	1,751,087
Total Liabilities		2,289,671	--	2,289,671
Equity (Deficiency)				
Share capital	(a)	24,596,256	56,515	24,652,771
Share subscriptions		873,475	--	873,475
Warrant reserve		170,613	--	170,613
Share-based payments reserve		2,276,786	--	2,276,786
Accumulated other comprehensive loss	(b)	(27,093)	27,093	--
Deficit	(a, b)	(29,192,869)	(83,608)	(29,276,477)
Total Equity (Deficiency)		(1,302,832)	--	(1,302,832)
Total Liabilities and Equity		\$ 986,839	\$ --	\$ 986,839

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17. Transition to IFRS (Continued)

(ii) The reconciliation between CGAAP and IFRS consolidated statement of financial position as at March 31, 2011 is provided below:

March 31, 2011				
	Note	CGAAP	Effect of transition to IFRS	IFRS
Current Assets				
Cash		\$ 448,109	\$ --	\$ 448,109
Short-term investments		4,336,906	--	4,336,906
Marketable securities at fair value	(b)	--	8,183	8,183
Amounts receivable and prepaid expenses		86,544	--	86,544
		4,871,559	--	4,879,742
Non-current Assets				
Deposits, related party		64,000	--	64,000
Exploration and evaluation assets		483,605	--	483,605
Foreign value-added taxes recoverable		134,255	--	134,255
Equipment		53,015	--	53,015
Investments	(b)	8,184	(8,183)	1
Reclamation deposits		18,000	--	18,000
Total Assets		\$ 5,632,618	\$ --	\$ 5,632,618
Current Liabilities				
Accounts payable and accrued liabilities		\$ 252,234	\$ --	\$ 252,234
Accounts payable, related parties		194,026	--	194,026
Total Liabilities		446,260	--	446,260
Equity				
Share capital	(a)	32,053,685	56,515	32,110,200
Warrant reserve		2,922,556	--	2,922,556
Share-based payments reserve		4,035,325	--	4,035,325
Accumulated other comprehensive loss	(b)	(23,522)	23,522	--
Deficit	(a, b)	(33,801,686)	(80,037)	(33,881,723)
Total Equity (Deficiency)		5,186,358	--	5,186,358
Total Liabilities and Equity		\$ 5,632,618	\$ --	\$ 5,632,618

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17. Transition to IFRS (Continued)

- (iii) The reconciliation between CGAAP and IFRS consolidated statement of operations and comprehensive loss for the year ended March 31, 2011 is provided below:

		Year Ended March 31, 2011		
	Note	CGAAP	Effect of transition to IFRS	IFRS
REVENUE				
Interest income		\$ 13,575	\$ --	\$ 13,575
Gains on marketable securities	(b)	--	3,571	3,571
EXPENSES				
Exploration costs		1,702,150	--	1,702,150
Finance costs		32,428	--	32,428
Foreign exchange loss		14,438	--	14,438
General and administrative		177,951	--	177,951
Professional fees		139,125	--	139,125
Take-over bid		524,212	--	524,212
Salaries and benefits		381,433	--	381,433
Shareholder communications		297,859	--	297,859
Share-based payments		1,339,990	--	1,339,990
Write-down of exploration and evaluation assets		12,806	--	12,806
Net loss for the year		4,608,817	(3,571)	4,605,246
Unrealized gains on investments	(b)	(3,571)	3,571	--
Comprehensive Loss for the Year		\$ 4,605,246	\$ --	\$ 4,605,246

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17. Transition to IFRS (Continued)

There are no significant differences between IFRS and Canadian GAAP in connection with the Company's statements of cash flows for the year ended December 31, 2010.

a) Flow-through Shares

Under IFRS, the Company bifurcates the flow-through share into i) a flow-through share premium, equal to the estimated premium, if any, investors pay for the flow-through feature, which is recognized as a liability, and ii) share capital. Upon expenses being incurred, the Company recognizes a deferred tax liability for the amount of the tax deduction renounced to the shareholders and the premium liability is reversed. The reversal of the premium liability and the deferred tax liability are recognized as tax recoveries to the extent that suitable deferred tax assets are available. Under CGAAP, the Company recorded the tax cost of expenditures renounced to subscribers on the date the deductions were renounced to the subscribers. Share capital was reduced and future income tax liabilities were increased by the tax cost of expenditures renounced to the subscribers, except that the amount was recognized as a tax recovery to the extent that suitable future tax assets were available.

As a result of this change in policy, for issuances of flow-through shares for which expenditures have been incurred, share capital and deficit were increased by \$83,608 at the date of transition, and at March 31, 2011. Where flow-through shares were issued at a premium and expenditures were incurred, \$56,515 was reclassified from share capital to deficit on the date of transition, and the year ended March 31, 2011.

b) Marketable Securities

On transition to IFRS, the Company elected to re-designate its marketable securities from available-for-sale to fair value through profit or loss as it was determined that they would be sold in the short term. As a result of this change, in accordance with IAS 39, changes in the fair value of marketable securities are recorded through the statement of operations. These changes were previously recognized directly in other comprehensive income.

As a result of this re-designation, unrealized gains on investments of \$3,571 for the year ended March 31, 2011 were reclassified to unrealized gains on marketable securities on the statements of operations and comprehensive loss and the accumulated other comprehensive loss of \$27,093 was reclassified to deficit on the date of transition.

18. Subsequent Event

Subsequent to March 31, 2012, the Company received \$404,650 from the exercise of 2,697,666 warrants at a price of \$0.15 per share.