The Company's independent auditor has not performed a review of these consolidated financial statements.

CREAM MINERALS LTD.
INTERIM CONSOLIDATED FINANCIAL STATEMENTS
THREE AND NINE MONTHS ENDED DECEMBER 31, 2010 and 2009

The Company's independent auditor has not performed a review of these consolidated financial statements.

CREAM MINERALS LTD.

(an exploration stage company)
Consolidated Balance Sheets
(Unaudited – prepared by management)

	December 31, 2010	March 31, 2010
Assets		
Current assets		
Cash	$ 5,548,512	$ 228,106
Accounts receivable and prepaid expenses	149,971	119,085
	5,698,483	347,191
Mineral property interests (Note 3)	496,411	454,853
Foreign value-added taxes recoverable (Note 4)	29,924	139,556
Equipment (Note 5)	3,338	3,934
Investments (Note 6)	8,006	4,613
Deferred finance costs	--	18,692
Reclamation and other deposits	18,000	18,000
	$ 6,254,162	$ 986,839
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	$ 201,849	$ 538,584
Accounts payable, related parties (Note 8)	1,344,043	1,751,087
	1,545,892	2,289,671
Shareholders' (deficiency)		
Share capital (Note 7)		
Authorized: Unlimited number of common shares without par value		
Issued and fully paid: 140,257,345 (March 31, 2010 – 64,716,988) common shares	31,179,394	24,596,256
Share subscriptions	--	873,475
Warrants	2,074,623	170,613
Contributed surplus	2,252,218	2,276,786
Accumulated other comprehensive loss	(23,700)	(27,093)
Deficit	(30,774,265)	(29,192,869)
	4,708,270	(1,302,832)
	$ 6,254,162	$ 986,839

Going concern and nature of operations (Note 1)
Subsequent events (Notes 7 and 8)

See accompanying notes to consolidated financial statements.

Approved on behalf of the board of directors

/s/Michael O'Connor
Director

/s/Robin Merrifield, C.A.(S.A.)
Director

The Company's independent auditor has not performed a review of these consolidated financial statements.

CREAM MINERALS LTD.

(an exploration stage company)

Consolidated Statement of Operations

(Unaudited – prepared by management)

	Three Months Ended December 31, 2010	Three Months Ended December 31, 2009	Nine Months Ended December 31, 2010	Nine Months Ended December 31, 2009
Expenses				
Amortization	$ 163	$ 216	$ 596	$ 649
Exploration costs (Note 11)	180,522	260,952	385,927	440,787
Finance costs (Note 8 (c))	9,426	14,536	31,282	85,280
Foreign exchange	(208)	(833)	1,575	131
Legal, accounting and audit	11,446	(4,835)	65,193	86,781
Takeover defence (Note 10)	534,960	--	534,960	--
Management fees	7,500	7,500	22,500	22,500
Office and administration	73,427	35,811	165,936	114,470
Salaries and benefits	58,218	51,785	192,300	191,127
Shareholder communications	71,195	27,895	181,227	90,827
Stock-based compensation	--	444	--	2,081
Recovery of equipment	--	--	--	(6,393)
Interest and other income	--	(110)	(100)	(510)
	946,649	393,361	1,581,396	1,027,730
Loss for the period	(946,649)	(393,361)	(1,581,396)	(1,027,730)
Deficit, beginning of period	(29,827,616)	(28,562,336)	(29,192,869)	(27,927,967)
Deficit, end of period	$(30,774,265)	$(28,955,697)	$(30,774,265)	$(28,955,697)
Loss per share, basic and diluted	$ (0.01)	$ (0.01)	$ (0.02)	$ (0.02)
Weighted average number of common shares outstanding – basic and diluted	102,925,968	64,695,684	75,831,641	48,560,209

Consolidated Statements of Comprehensive Income

(Unaudited – prepared by management)

	Three months ended December 31, 2010	Three months ended December 31, 2009	Nine months ended December 31, 2010	Nine months ended December 31, 2009
Loss before comprehensive income	$ (946,649)	$ (393,361)	$ (1,581,396)	$ (1,027,730)
Unrealized gains on investments	1,711	2,363	3,393	3,443
Comprehensive loss	$ (944,938)	$ (390,998)	$ (1,578,003)	$ (1,024,287)

See accompanying notes to consolidated financial statements.

The Company’s independent auditor has not performed a review of these consolidated financial statements.

CREAM MINERALS LTD

(an exploration stage company)
Consolidated Statements of Shareholders’ Deficiency
Three and nine months ended December 31, 2010 and 2009
(Unaudited – prepared by management)

	Common Shares Without Par Value		Share subscriptions			Accumulated Other		Total Shareholders’
	Shares	Amount		Warrants	Contributed Surplus	Comprehen-sive Losses	Deficit	Equity (Deficiency)
Balance, March 31, 2009	64,646,988	$ 24,607,473	$ --	$ 571,800	$ 1,875,238	$ (28,854)	$ (27,927,967)	$ (900,310)
Warrants exercised	30,000	4,720	--	--	(1,720)	--	--	3,000
Warrants expired, unexercised	--	--	--	(401,187)	401,187	--	--	--
Share subscriptions	--	--	873,475	--	--	--		873,475
Mineral property interests	--	--	--	--	--	--		
Blueberry claims	40,000	3,200	--	--	--	--	--	3,200
Future income tax on flow-through shares	--	(21,137)	--	--	--	--	--	(21,137)
Stock-based compensation	--	--	--	--	2,081	--	--	2,081
Unrealized gain on investments for the year	--	--	--	--	--	1,761	--	1,761
Loss for the year	--	--	--	--	--	--	(1,264,902)	(1,264,902)
Balance, March 31, 2010	64,716,988	24,596,256	873,475	170,613	2,276,786	(27,093)	(29,192,869)	(1,302,832)
Private placement, net of share issue costs	60,463,214	4,911,657	(873,475)	1,964,916	--	--	--	6,003,098
Finders’ shares issued	144,000	12,960	--	--	--	--	--	12,960
Warrants exercised	14,613,143	1,618,521	--	(60,906)	--	--	--	1,557,615
Mineral property interests								
Blueberry claims	40,000	6,400	--	--	--	--	--	6,400
Options exercised	280,000	33,600	--	--	(24,568)	--	--	9,032
Unrealized gain on investments for the period	--	--	--	--	--	3,393	--	3,393
Loss for the period	--	--	--	--	--	--	(1,581,396)	(1,581,396)
Balance, December 31, 2010	140,257,345	$ 31,179,394	$ --	$ 2,074,623	$ 2,252,218	$(23,700)	$ (30,774,265)	$ 4,708,270

See accompanying notes to consolidated financial statements.

The Company's independent auditor has not performed a review of these consolidated financial statements.

CREAM MINERALS LTD.

(an exploration stage company)

Consolidated Statements of Cash Flows

(Unaudited – prepared by management)

	Three Months Ended December 31, 2010	Three Months Ended December 31, 2009	Nine Months Ended December 31, 2010	Nine Months Ended December 31, 2009
Cash provided by (used for):				
Operations				
Loss for the period	$ (946,649)	$ (393,361)	$ (1,581,396)	$ (1,027,730)
Items not involving cash				
Amortization	163	3,531	596	5,971
Stock-based compensation	--	444	--	2,081
Recovery of equipment costs	--	--	--	(6,393)
Foreign exchange	585	(1,392)	1,763	17,260
Finance costs	5,918	15,003	18,399	85,280
Changes in non-cash working capital				
Accounts receivable and prepaids	(37,636)	(12,269)	(30,886)	7,406
Accounts payable and accrued liabilities	(5,044)	44,208	(327,844)	16,964
	(982,663)	(343,836)	(1,919,368)	(899,161)
Investing activities				
Mineral property acquisition costs	(12,239)	(13,557)	(35,158)	(60,401)
Foreign value-added taxes recoverable	(8,333)	(1,518)	(32,197)	(7,495)
Foreign value-added taxes recovered	140,066	7,825	140,066	7,825
Equipment dispositions	--	--	--	6,393
	119,494	(7,250)	72,711	(53,678)
Financing activities				
Common shares issued for cash	6,679,087	458,406	7,592,507	63,893
Share subscriptions received	--	--	--	447,000
Advances (to) from related parties	(536,124)	(59,073)	(425,444)	320,562
	6,142,963	399,333	7,167,063	831,455
Increase (decrease) in cash during the period	5,279,794	48,247	5,320,406	(121,384)
Cash, beginning of period	268,718	15,136	228,106	184,767
Cash, end of period	$ 5,548,512	$ 63,383	$ 5,548,512	$ 63,383
Supplemental information				
Shares issued for mineral property interests	$ 6,400	$ 3,200	$ 6,400	$ 3,200
Finders' shares issued	--	--	12,960	--

See accompanying notes to consolidated financial statements..

1. Going concern and nature of operations

Cream Minerals Ltd. (the "Company") is incorporated 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, currently in Mexico and Canada.

The Company's continuing operations and 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 its mineral property interests and on future profitable production or proceeds from the disposition of the mineral property interest or other interests. At December 31, 2010, the Company had not made cash payments on one of its mineral property interests in Canada, but subsequently payment has been made.

The Company had a loss of $1,5891,396 for the nine months ended December 31, 2010, and the Company had a working capital surplus, defined as current assets less current liabilities, as at December 31, 2010, of $4,152,591 (March 31, 2010 – deficiency of 1,942,480), with an accumulated deficit of $30,774,265 (March 31, 2010 - $29,192,869).

The Company has capitalized $496,411 (March 31, 2010 – $454,853) in acquisition costs on its mineral property interests. On the Nuevo Milenio property in Mexico, tax payments of approximately $25,000 are required to be made twice yearly on an escalating basis, in January and July of each year in order to maintain the concessions. The tax payment due in July 2010 was made and the Company is current with its payments. In addition, the Company must make cash payments of $40,000 in the year ended March 31, 2011 - $30,000 paid), to maintain the Company's mineral property interests held at December 31, 2010. An additional $10,000 was paid subsequent to December 31, 2010.

The consolidated financial statements for the period ended December 31, 2010, 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. Accordingly, they do not give effect to adjustments that would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and liquidate its liabilities, contingent obligations and commitments other than in the normal course of business and at amounts different from those in the financial statements. The Company has incurred operating losses since inception, has no source of operating cash flow, minimal interest income from term investments, and there can be no assurances that sufficient funding, including adequate financing will always be available to explore its mineral properties and to cover general and administrative financing necessary for the maintenance of a public company. The ability of the Company to arrange additional financing in the future depends in part, of the prevailing capital market conditions and mineral property exploration and development success.

The amounts shown as mineral property interests represent acquisition costs net of recoveries to date, less amounts written off, and do not necessarily represent present or future values. Recoverability of the amounts shown for mineral property interests is dependent upon the discovery of economically recoverable mineral reserves, securing and maintaining title and beneficial interest in the properties, the ability of the Company to obtain the financing necessary 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 interests.

2. Significant accounting policies

Basis of presentation

These consolidated financial statements are prepared in accordance with Canadian generally accepted accounting principles ("Canadian GAAP"). These consolidated financial statements include the accounts of the Company and a wholly-owned subsidiary, Cream Minerals de Mexico, S.A. de C.V. All material intercompany balances and transactions have been eliminated on consolidation. These consolidated financial statements include all normal recurring adjustments that are, in the opinion of management, necessary for a fair presentation of the financial position, results of operations and cash flows for the interim periods presented.

The accounting policies followed by the Company are set out in note 3 to the audited consolidated financial statements for the year ended March 31, 2010, and have been consistently followed in the preparation of these consolidated financial statements except that the Company has adopted the following Canadian Institute of Chartered Accountants ("CICA") standards effective April 1, 2010.

(i) Business combinations

In January 2009, the CICA issued CICA Handbook Section 1582, "*Business Combinations*", which replaces former guidance on business combinations. Section 1582 establishes principles and requirements of the acquisition method and related disclosures. In addition, the CICA issued Section 1601, "*Consolidated Financial Statements*", and Section 1602, "*Non-controlling Interests*", which replaces the existing guidance. Section 1601 establishes standards for the preparation of consolidated financial statements and Section 1602 provides guidance on accounting for a non-controlling interest in a subsidiary in consolidated financial statements subsequent to a business combination. These standards apply prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2011, with earlier application permitted. The Company has adopted these standards on April 1, 2010 with no impact on its consolidated financial statements.

In 2006, the AcSB published a new strategic plan that will significantly affect financial reporting requirements for Canadian companies. The AcSB strategic plan outlines the convergence of Canadian GAAP with IFRS over an expected five year transitional period. In February 2008 the AcSB announced that fiscal 2011 is the changeover date for non-calendar year end publicly accountable enterprises to use IFRS, replacing Canada's own GAAP. The date is for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The transition date of January 1, 2011, will require the restatement for comparative purposes of amounts reported by the Company for the year ended March 31, 2011. While the Company has begun assessing the adoption of IFRS for fiscal 2011, the financial reporting impact of the transition to IFRS cannot be reasonably estimated at this time.

(expressed in Canadian dollars, unless otherwise stated)

3. Mineral property interests

Detailed exploration expenditures incurred in respect to the Company's mineral property interests owned, leased or held under option are disclosed in Note 10. Property payments made on the Company's mineral property interests during the nine months ended December 31, 2010 and the year ended March 31, 2010, are included in the property descriptions below.

Nine months ended December 31, 2010	Opening Balance	Incurred	Write-downs	Closing Balance
Kaslo Silver Property, British Columbia (b)	11,983	824	--	12,807
Goldsmith and other properties, British Columbia (a)	188,903	24,334	--	213,237
Manitoba Properties, Manitoba (d)	253,967	16,400	--	270,367
Nuevo Milenio, Mexico (c)	--	--	--	--
Las Habas, Mexico (e)	--	--	--	--
Total Acquisition Costs	$ 454,853	$ 41,558	$ --	$ 496,411

Year ended March 31, 2010	Opening Balance	Incurred	Write-downs	Closing Balance
Casierra Property, Sierra Leone	$ 1	$ 25,466	$ (25,467)	$ --
Kaslo Silver Property, British Columbia	11,160	823	--	11,983
Goldsmith and other properties, British Columbia	349,342	20,560	(180,999)	188,903
Manitoba Properties, Manitoba	227,221	26,746	--	253,967
Nuevo Milenio, Mexico	--	--	--	--
Nacaral, Mexico	--	20,730	(20,730)	--
Total Acquisition Costs	$ 587,724	$ 94,325	$ (227,196)	$ 454,853

(a) Goldsmith and other 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 Lucky Jack option agreement has been written down by $180,999 to a nominal carrying value of $1, as no significant exploration has been carried out on the property for a period of three years

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

(i) Bismark Claims

The Company holds a 100% interest in the property. The property is subject to a net smelter returns ("NSR") royalty of 1.5% of which 50% can be purchased for the sum of $500,000.

(ii) Black Bear Group of Claims

The Company holds a 100% interest in the claims. The claims are subject to a 3% NSR royalty from the production of gold and silver and 1.5% NSR royalty from the production of other metals from the property. The Company has the right to purchase 50% of the royalty interest for $500,000 upon completion of a positive feasibility study.

3. Mineral property interests (continued)

(iii) Black Fox Claims

The Company holds a 100% interest in the Black Fox Silver claims.

(c) Nuevo Milenio Property, Nayarit, Mexico

The Company holds a 100% interest in the Nuevo Milenio Project ("Nuevo Milenio" or the "Project") , located in Nayarit, Mexico.

See Note 10 – Endeavour Silver Corp. – unsolicited offer.

(d) Manitoba Properties

(i) Stephens Lake Property

The Company holds, jointly with Sultan Minerals Inc. ("Sultan") and ValGold Resources Ltd. ("ValGold"), (the "Companies"), a 75% interest in two staked claims, the Trout and Trout 1 claims. In previous years the other claims had been written off, and the Trout claim group had been written down to a nominal carrying value of $1, as no exploration programs were planned.

(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 Company can earn its interest by making payments totalling $105,000 ($105,000 paid) and issuing 200,000 common shares (200,000 issued) over a 48-month period. The Company incurred 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.

3. Mineral property interests (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. The option agreement provides for a total cash payment of $100,000 ($10,000 paid) and issuance of 400,000 common shares (80,000 common shares 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 common shares on regulatory approval and 40,000 common shares on the first anniversary of regulatory approval, and 80,000 common shares on each of the second to the fifth anniversary dates. The second anniversary payment of $10,000 was made subsequent to December 31, 2010.

The Company must incur cumulative exploration expenditures totalling $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 date is $150,176.

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.

(e) Las Habas Property, Mexico

On April 30, 2010, the Company signed a letter of intent ("LOI"), optioning the Las Habas Project, comprised of 336 hectares located in the State of Sinaloa, Mexico. The LOI is 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, the Company filed an application to denounce (stake) approximately 700 hectares adjoining the Las Habas property. The newly denounced land package is located to the west of, and adjoins the Las Habas Project. The denouncement would increase Cream's land holdings in the area to 1036 ha (10.36 km2), subject to the issuance of title to the land. The LOI has lapsed as of the date of this report as the optionor has not been able to demonstrate valid title to the Las Habas property. In addition issuance of title to the adjoining 700 Ha's is pending Government approval. Consequently the Company has elected not to proceed with the Las Habas Project.

(f) Measurement uncertainty and impairment assessments

The Company 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 December 31, 2010, the carrying value of mineral property interests reflects the acquisition costs of surface rights and option payments on mineral property interests.

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(expressed in Canadian dollars, unless otherwise stated)

3. Mineral property interests (continued)

Mineral property interests, where future cash flows are not reasonably determinable, are evaluated for impairment based on the nature and amount of recent exploration amounts expensed, management's intentions and determination of the extent to which future exploration programs are warranted and likely to be funded. 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.

4. 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 until such time as the refunds are received from the Mexican authorities.

5. Equipment

	December 31, 2010			March 31, 2010		
	Cost	Accumulated Amortization	Net Book Value	Cost	Accumulated Amortization	Net Book Value
Vehicles	$ 36,597	$ 34,936	$ 1,661	$ 36,597	$ 34,936	$ 1,661
Office equipment	1,059	786	273	1,059	680	379
Computer equipment	13,343	11,939	1,404	13,343	11,449	1,894
	$ 50,999	$ 47,661	$ 3,338	$ 50,999	$ 47,065	$ 3,934

6. Investments

December 31, 2010	**Number of Shares**	**Cost**	**Accumulated unrealized holding gains (loss)**	**Fair Value**
Publicly traded companies:				
ValGold Resources Ltd.	20,000	$ 30,000	$ (24,400)	$ 5,600
Abitibi Mining Corp.	7,000	210	(101)	109
Mercator Minerals Ltd.	504	698	1,303	2,001
Emgold Mining Corporation	200	480	(435)	45
Sultan Minerals Inc.	2,630	316	(67)	249
		31,704	(23,700)	8,004
Non-public companies:				
Terra Gaia Inc.	100,000	1		1
Quorum Management and Administrative Services Inc. (Note 8 (a))	1	1	--	1
		$ 31,706	$ (23,700)	$ 8,006

7. Share capital

Authorized

Unlimited number of common shares without par value.

Issued and fully paid

140,257,345 common shares without par value

During the nine months ended December 31, 2010, the Company completed:

(a) 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. The warrants issued were valued using a modified B-S pricing model using the following assumptions: weighted average risk free interest rates – 1.00% to 1.78%; volatility factors of 94% to 131%, adjusted for hold periods and expected exercises, with and an expected life of two years. The value allocated to each of the warrants was $0.004.

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. Common shares issued as finders' fees were recorded at the stock price on the day of completion of the financing at $0.09.

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.

(b) a private placement of 37,500,000 units at $0.16 per unit for aggregate gross proceeds to the Company 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 until December 21, 2012. Provided that if after four months and one day following the closing date, the common shares of the Company close on the TSX Venture Exchange 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 warrants issued were valued using a modified B-S pricing model using the following assumptions: weighted average risk free interest rates – 1.33%; volatility factors of 73%, adjusted for hold periods and expected exercises, with and an expected life of 1.67 years. The value allocated to each of the warrants was $0.04

(expressed in Canadian dollars, unless otherwise stated)

7. Share capital (continued)

Compensation of $480,000 was paid for finders' fees to certain eligible arms-length parties and 3,750,000 finders' warrants 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 recorded at a value of $740,811, using a volatility rate of 68%; an expected life of 2 years; and a risk-free rate of 1.38%.

Stock options

The Company has a 10% rolling stock option plan for its directors and employees 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 may issue up to 10,225,235 common shares under the plan at December 31, 2010. At December 31, 2010, 3,796,500 (March 31, 2010, 4,851,500) stock options have been granted and are outstanding, exercisable for up to five years. The Company's stock option plan provides for immediate vesting of or vesting at the discretion of the Company. Stock options granted to investor relations' consultants vest as follows: 25% immediately, and 25% every three to six months thereafter depending on the terms of the individual stock option grant.

The following table summarizes information on stock options outstanding at December 31, 2010:

Exercise Price	Number Outstanding	Average Remaining Contractual Life
$0.50	100,000	0.45 years
$0.53	310,000	1.08 years
$0.50	1,436,500	1.30 years
$0.50	150,000	1.93 years
$0.12	1,800,000	3.12 years
	3,796,500	2.15 years

A summary of the changes in stock options for the nine months ended December 31, 2010, is presented below:

	Number of Shares	Weighted Average Exercise Price
Balance, March 31, 2010	4,851,500	$0.29
Exercised	(280,000)	$0.12
Expired	(715,000)	$0.17
Forfeited	(60,000)	$0.23
Balance, December 31, 2010	3,796,500	$0.31
Vested and exercisable at December 31, 2010	3,796,500	$0.31

Subsequent to December 31, 2010, 140,000 options with an exercise price of $0.12 were exercised.

(expressed in Canadian dollars, unless otherwise stated)

7. Share capital (continued)

Share purchase warrants

As at December 31, 2010, the following share purchase warrants issued in connection with private placements were outstanding:

Number of Warrants	Exercise Price	Expiry Date
8,855,400	$0.20	January 28, 2011
9,457,071	$0.10/$0.15	April 13, 2011/12
41,250,000	$0.24	December 22, 2012
3,750,000	$0.16	December 22, 2012
63,312,471		

A summary of the changes in warrants for the nine months ended December 31, 2010, 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	(14,613,143)	$0.12
Expired	(16,000)	$0.20
Balance, December 31, 2010	63,312,471	$0.19

Subsequent to December 31, 2010, 8,467,000 warrants with exercise prices ranging from $0.10 to $0.20, were exercised and 938,400 warrants with an exercise price of $0.20 expired, unexercised.

(expressed in Canadian dollars, unless otherwise stated)

8. Related party transactions and balances

Services rendered:	Nine months ended December 31, 2010	2009
Quorum Management and Administrative Services Inc. (a)	$ 469,755	$ 328,145
Consulting (d, f)	22,500	22,500
Finance costs (c)	18,399	16,218
Directors	32,500	--
Geological consulting (e)	US$90,000	US$90,000

Balances at:	December 31, 2010	March 31, 2010
Balances payable to (g):		
Quorum Management and Administrative Services Inc. (a)	$ 47,302	$ 276,333
Directors (e, h,)	32,500	232,564
Lang Mining Corporation (b)	94,500	94,500
Ainsworth Jenkins - Casierra project (c)	--	39,109
Mr. Frank A. Lang, interest bearing (c)	387,100	337,100
Mr. Frank A. Lang, advances (c)	720,000	720,000
Mr. Frank A. Lang, accrued interest (c)	62,641	44,272
Mr. Frank A. Lang, expenses payable	--	7,209
	$ 1,344,043	$ 1,751,087

(a) Management, administrative, geological and other services are provided by Quorum, a private company held jointly by the Company and other public companies to provide services on a full cost recovery basis to the various public entities currently sharing office space with the Company. Currently the Company has a one-third interest in Quorum. Three months of estimated working capital is required to be on deposit with Quorum under the terms of the services agreement. There is no difference between the cost of $1 and the equity value.

(b) Lang Mining Corporation ("Lang Mining") is a private company controlled by Frank A. Lang. Lang Mining provided management services to the Company at a rate of $10,000 per month since November 1, 2006, while Mr. Lang was president of the Company. At December 31, 2008, the fees were terminated until the financial situation of the Company has stabilized and the provision of any future management fees is determined.

(c) 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., 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.

Pursuant to the terms of a loan agreement approved by the TSX Venture Exchange, the Company commenced paying interest to Mr. Lang on a per annum rate of six percent (6%) on an original loan balance of $700,000. Interest is payable quarterly commencing ninety (90) days from the date of regulatory approval, and interest payments will be payable every ninety (90) days thereafter until the loan is repaid in full. To December 31, 2010, Mr. Lang has been repaid $500,000 (March 31, 2010 - $500,000) of this interest-bearing loan. The loan and accrued interest thereon may be prepaid by the Company in whole or in part at any time and from time to time, without penalty.

8. Related party transactions and balances (continued)

All debt owing to Mr. Lang is unsecured. During the year ended March 31, 2010, Mr. Lang also advanced $137,100 to the Company, with interest payable at 1% per month, with no specified terms of repayment. Of these advances, $201,900 was applied to the private placement. Mr. Frank A. Lang, a director and the Chairman of the Company, has acquired 5,100,000 units in the April, 2010 private placement for the subscription price of $357,000.

Subsequent to December 31, 2010 the Company has repaid all debt owing to Mr. Lang and Lang Mining Corporation.

(d) Consulting fees were paid or have been accrued, indirectly 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. Any amount owing to Kent Avenue Consulting Ltd. is owed to Quorum, and is included in the net payable to Quorum.

(e) Fees were paid or 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.

(f) The Company's investments in public companies include shares of Emgold Mining Corporation, Sultan, and ValGold, companies with directors and/or management in common with the Company. The Company also holds interests in the Stephens Lake property jointly with Sultan and ValGold.

(g) Balances payable to related parties, and balances receivable from related parties are non-interest bearing and due on demand, except where otherwise noted.

(h) Related parties participated in the April, 2010 private placement described in Note 7 – Share capital. All related party transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

9. Financial instruments and risk management

Financial assets and financial liabilities are measured on an ongoing basis at fair value or amortized cost. Cash is designated as held-for-trading and measured at fair value. Accounts receivable are designated as loans and receivables and measured at amortized cost. Accounts payable and due to related parties are designated as other financial liabilities and measured at amortized cost.

The fair values of the Company's accounts receivable and due from related parties approximate their carrying values at December 31, 2010, due to their short-term nature.

The fair values of the Company's financial instruments measured at December 31, 2010, constitute Level 2 measurements for its cash within the fair value hierarchy.

(expressed in Canadian dollars, unless otherwise stated)

9. 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 balance sheet date under its financial instruments is summarized as follows:

		December 31, 2010
Accounts and other receivables -		
Currently due	$	149,971
Past due by 90 days or less, not impaired		--
Past due by greater than 90 days, not impaired		--
		149,971
Cash		5,548,512
	$	5,698,483

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. Those financial assets that potentially subject the Company to credit risk are any receivables. The Company has increased its focus on credit risk given the impact of the current economic climate. 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 nine months ended December 31, 2010, no material provision has been recorded in respect of impaired receivables. The Company's maximum exposure to credit risk as at December 31, 2010, 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 nine months ended December 31, 2010, the Company issued 60,463,214 common shares for gross proceeds of $7,607,425, 14,613,143 warrants were exercised for proceeds of $1,507,614 and 280,000 stock options were exercised for proceeds of $33,600. Further information regarding liquidity risk is set out in Note 1. The Company's financial liabilities are comprised of its accounts payable and accrued liabilities and amounts due to related parties, the contractual maturities of which at December 31, 2010, are summarized as follows:

		December 31, 2010
Accounts payable and accrued liabilities with contractual maturities –		
Within 90 days or less	$	201,849
In later than 90 days, not later than one year		--
Due to related parties with contractual maturities		
Within 90 days or less		1,344,043
In later than 90 days, not later than one year		--

9. Financial instruments and risk management (continued)

(a) Interest rate risk
The Company has no significant exposure at December 31, 2010, to interest rate risk through its financial instruments.

(b) 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 December 31, 2010, 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.

	December 31, 2010	March 31, 2010
U.S. Dollars		
Cash	(33,668)	37,494
Accounts payable and accrued liabilities	(18,366)	(357,361)
Mexican Pesos		
Cash	118,241	21,288
Value added taxes recoverable	30,320	139,557
Accounts payable and accrued liabilities	(1,833)	(228)

Based on the above net exposures at December 31, 2010, 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 $5,203 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 $14,673 in the Company's loss from operations.

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 December 31, 2010. In respect of financial assets, the Company's policy is to invest cash at floating rates of interest in cash equivalents, in order to maintain liquidity, while achieving a satisfactory return. Fluctuations in interest rates impact the amount of return the Company may realize, but has no 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 December 31, 2010, with other variables unchanged, a 1% change in the variable interest rates would have had an insignificant impact on the loss of the Company.

10. Unsolicited offer, Endeavour Silver Corp.

In August 2010 after termination of the Roca Agreement on July 22, 2010, the Company entered into discussions with several silver exploration and silver mining companies with respect to Nuevo Milenio. The objective of the discussions was to form a subsequent option agreement for Nuevo Milenio. Discussions with Minco Silver Corporation ("Minco") had reached an advanced stage by early October 2010. Prior to a formal offer to form an option agreement being received from Minco, Endeavour Silver Corp. ("Endeavour") on October 4, 2010, announced an unsolicited take-over bid to the Company's shareholders whereby Endeavour offered to purchase all of the issued and outstanding shares of the Company (including shares that may become outstanding on the conversion, exchange or exercise of outstanding options or warrants of the Company) for $0.12 per share in cash. On November 9, 2010, Endeavour amended the initial offer and offered to purchase all of the issued and outstanding shares (including shares that may become outstanding before the expiry date of the amended offer upon the conversion, exchange or exercise of outstanding options or warrants of the Company) on the revised basis, at the election of each shareholder, of $0.14 per share in cash, or 0.02575 of a common share of Endeavour. The amended offer was scheduled to expire at 2:00 p.m. (Pacific time) on December 6, 2010. On October 14, 2010, the Company received a formal offer (the "Minco Offer") from Minco for the acquisition by Minco of up to a 70% interest in the Nuevo Milenio property. Under the terms of the Minco Offer, Minco would have paid the Company the sum of $5 million cash to earn a 50% interest in Nuevo Milenio. In addition Minco would have the option to acquire an additional 20% interest by incurring $5 million in exploration expenditures over the following three years from the date of the option agreement for a total interest of 70%. After that point the companies would fund additional development at Nuevo Milenio on a proportionate basis, Minco expending 70% and the Company expending 30%. On November 8, 2010, Minco agreed to the removal of the due diligence condition of its offer. In addition, Minco agreed to move the deadline for execution of the offer from November 19, 2010, to a date that was suitable to both Minco and the Company and Minco agreed to extend the Minco offer to one day past the closing date of the Endeavour offer.

On October 29, 2010, the board of directors of the Company issued a supplementary directors' circular (the "Supplementary Directors Circular") in which it made no recommendation as to whether shareholders should accept or reject the Endeavour offer. On November 22, 2010, having carefully considered Endeavour's amended offer, the board of directors issued a Notice of Change to the Supplementary Directors' Circular (the "Notice of Change"), in which it recommended that shareholders who wish to realize upon their investment in shares of the Company at this time accept the amended offer of Endeavour. The Company stated in the most recent Notice of Change, issued in connection with the Endeavour offer, that if Endeavour did not obtain at least 50.1% of the Company's common shares as of December 6, 2010, the Company intended to accept the Minco Offer subject to receiving the required approval of the TSX Venture Exchange and approval of the shareholders, if required.

Endeavour allowed the Endeavour offer to expire on December 6, 2010.

On December 7, 2010 the Company agreed to a bought deal financing of $5 million with the provision of an overallotment of $1 million (Note 7(b)). 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. Amongst the terms of the deal was the requirement that the Company retain 100% ownership of Nuevo Milenio. Consequently on December 7, 2010, the Company informed Minco that it would not be proceeding with the option agreement for Nuevo Milenio. A settlement fee of $150,000 was paid to Minco.

The Company subsequently closed a financing on December 21, 2010, and received gross proceeds of $6 million.

CREAM MINERALS LTD.

(an exploration stage company)
Notes to the Consolidated Financial Statements
For the three and nine months ended December 31, 2010
(expressed in Canadian dollars, unless otherwise stated)
(Unaudited – prepared by management)

11. Exploration costs

Nine months ended December 31, 2010	**Kaslo Silver Property, British Columbia**	**Goldsmith and Other Properties, British Columbia**	**Manitoba Properties, Manitoba**	**Los Habas and Nuevo Milenio Properties, Mexico**	**Total December 31, 2010**
Incurred during the period					
Assays and analysis	$ --	$ --	$ --	$ 7,361	$ 7,361
Geological and geophysical	408	68,040	7,078	124,911	200,437
Site activities	172	2,043	178	138,752	141,145
Travel and accommodation	--	9,358	--	27,626	36,985
Total Expenses December 31, 2010	$ 580	$ 79,441	$ 7,256	$ 298,650	$ 385,927

CREAM MINERALS LTD.

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11. Exploration costs

Nine months ended December 31, 2009	**Casierra Property, Sierra Leone**	**Kaslo Silver Property, British Columbia**	**Goldsmith and Other Properties, British Columbia**	**Blueberry, Wine and Other Manitoba Properties, Manitoba**	**Nuevo Milenio Property, Mexico**	**Total December 31, 2010**
Exploration and development expenses						
Incurred during the period						
Gain on sale of equipment	--	--	--	--	18,169	18,169
Geological and geophysical	2,877	708	2,500	111,042	119,401	236,528
Site activities	10,000	233	315	282	133,594	144,424
Travel and accommodation	460	--	--	30,676	10,530	41,666
Total Expenses, December 31, 2009	$ 13,337	$ 941	$ 2,815	$ 142,000	$ 167,460	$ 440,787

Year ended March 31, 2010	**Casierra Property, Sierra Leone**	**Kaslo Silver Property, British Columbia**	**Goldsmith and Other Properties, British Columbia**	**Manitoba Properties, Manitoba**	**Nuevo Milenio Property, Mexico**	**Total March 31, 2010**
Incurred during the year						
Assays and analysis	$ --	$ --	$ --	$ --	$ 18,842	$ 18,842
Geological and geophysical	2,877	708	2,500	111,818	75,920	193,823
Site activities	21,173	233	315	544	137,714	159,979
Travel and accommodation	460	--	--	30,676	13,277	44,413
Expenditures in year	24,510	941	2,815	143,038	245,753	417,057
Government assistance	--	(20,049)	(17,935)	--	--	(37,984)
Total Expenses (recoveries), March 31, 2010	$ 24,510	$ (19,108)	$ (15,120)	$ 143,038	$ 245,753	$ 379,073