

CEO CFO

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With Their Nuevo Milenio Property In Nayarit State, Mexico Containing 54.6 Million Ounces Of Silver Equivalent At A Ratio Of 50/1 Making It Worth About \$8.5 million Canadian – Just Based On That Property Alone Cream Minerals Ltd. Is Undervalued At Its Current Stock Price Of Seven And A Half Cents Canadian



**CREAM
MINERALS
LTD.**

**Exploration
Metals/Mining
(CMA-TSXV)**



Michael E. O'Connor
President and CEO

BIO:

Mr. O'Connor brings to Cream over

twenty years experience in the financial services industry including extensive experience in brokerage, banking, investor relations and corporate communications positions. Mr. O'Connor 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.

Company Profile:

Cream Minerals Limited

TSX Venture Exchange Symbol: **CMA**

U.S. 20-F Registration: **000-2987**

OTC BB: **CRMXF**

Frankfurt Stock Exchange: **DFL**

Cream Minerals Ltd. (the "Company" or "Cream") is a mineral exploration company with properties in Canada, Mexico and Sierra Leone, Africa. The Company is working to enhance shareholder value through the acquisition of gold, silver and base metal properties which have the potential to be developed into economic ore bodies. The Company holds six properties, including the Nuevo Milenio Silver Gold project in Nayarit State, Mexico and the recently acquired Blueberry Gold Project in Manitoba, Canada.

Cream's 100% owned Nuevo Milenio property is a 2560 Ha (Hectare) property hosting an epithermal gold and silver deposit contained within a collapsed caldera. The property has a compliant NI 43-101 Inferred Mineral Resource of 54.6 million ounces silver equivalent contained within 5.09 million tonnes. The average grade is 251 ounces per ton, the cutoff grade is 180 ounces per ton and the vein widths run from 2 metres to 5.1 me-

tres. The resource calculation is based on a ratio of 50:1. While the current resource is contained within 600 Ha, there are gold and silver showings over a 5 km length on the property trending from the South East to the North West. Outside of the 600Ha resource area the property has had limited exploration but is highly prospective.

In July 2009 Cream signed an Binding Letter of Intent with Roca Mines Inc. ("Roca") to explore and possibly develop the Nuevo Milenio property to production. The Option Agreement with Roca provides for a cumulative exploration commitment on Nuevo Milenio as follows:

To earn a 50% interest;

By July 24, 2010	\$US1 million
By July 24, 2011	\$US3.5 million
By July 24, 2012	\$US7 million
By July 24, 2013	\$US12 million

To earn a further 20% interest (the Second Option);

Complete a Complaint NI 43-101 Feasibility Study within three years of the end of the second option for a total interest of 70%.

We feel this is a very attractive arrangement with an almost unprecedented exploration commitment that speaks to the potential of Nuevo Milenio. The shareholders of both Cream and Roca can look forward to a steady news stream based on exploration results. Currently Roca is planning on initiating drilling at Nuevo Milenio beginning in late January to early

February. This is of course subject to change by Roca as they are the operator.

Cream recently optioned an early stage exploration gold property, Blueberry 1, in Manitoba. Prospecting assay values taken from a large 250 metre by 400 metre outcrop produced grab samples and channel samples (widths of 0.2 metres to 0.5 metres) from approximately 4 grams per ton to 43 grams per ton. Following a review of historical exploration work obtained from the Government of Manitoba at a nominal cost Cream staked ground to the east and west of Blueberry to include part of the continuation of a fault that runs through the property as well as a broadening shear zone to the west. An induced polarization program is underway and should be completed within ten days. Following that an exploration program will be designed including identification of drill targets for the New Year.

In addition to the option agreement for the Nuevo Milenio property and the recent option agreement for the Blueberry Gold property Cream is currently reviewing several gold and gold/copper properties in Mexico. The Company will narrow the list to one and possibly two properties on four month exploration agreements at a nominal cost with the option to extend the agreements to five year terms based on semi-annual payments.

**Interview conducted by:
Lynn Fosse, Senior Editor
CEOCFOinterviews.com**

CEOCFO: Mr. O'Connor, why are you with Cream Minerals today?

Mr. O'Connor: I joined the company in October of 2008. The former President and CEO Frank Lang at that time was 84 years old. Frank has had a very long and successful history in the mining industry. He was the co-discoverer of the Hemlo deposit in Ontario in the early 1970s, which was at the time was the largest gold discovery in Canada. Frank has made several other discoveries in Canada, several of which have gone on to be producing mines. At 84 years old Frank wanted to step back from day-to-day operations and focus more on strategy and keep his hand in on the developmental geology of any properties that Cream had an interest in. Therefore, I came in to be

President and CEO, take care of day-to-day operations, look after financing, investor relations; all the things that would normally go with the role of President. Frank is now Chairman of the Board and the two of us work together on strategy and evaluation of properties that Cream is seeking to advance, or evaluation of properties that Cream might have an interest in acquiring.

CEOCFO: You certainly have a diverse background; why did you decide to take on Cream at this stage, and what is it about Cream and Cream's property and strategy that appeal to you?

Mr. O'Connor: Cream is undervalued in the marketplace. Today the stock is trading at or close to seven and a half cents Canadian. That gives it a market cap of \$4.9 million Canadian. There is 64.6 million shares issued outstanding, fully diluted at 82.8 million shares. We have a property in Mexico in Nayarit State called Nuevo Milenio; it has an Inferred Mineral Resource that is compliant with Canadian Securities legislation. It contains 54.6 million ounces of silver equivalent. The silver gold ratio we employed is 50/1, in other words 50 ounces of silver to every ounce of gold. Currently based on gold and silver prices, the silver/gold ratio would be closer to about 65/1. As an Inferred Resource that property is worth probably somewhere in the neighborhood of \$8.0 million Canadian to \$8.5 million Canadian so just based on one property the company is well undervalued. When I joined the company Frank and I discussed various options for the property and we ended up negotiating an option agreement with Roca Mines Inc. Roca Mines is a very successful molybdenum mining company with a high grade moly mine in BC. They were seeking to diversify their asset base by metal and by country. The upshot was that we arrived at an option agreement between Cream Minerals and Roca Mines. The option agreement calls for Roca Mines to spend \$12 million US, on Cream's Nuevo Milenio Silver/Gold Project over the next four years. Cumulatively, they are going to spend \$1 million by July 24th 2010, \$3.5 million US by July 24th 2011, \$7 million by July 24th 2012, and \$12 million by July 24th 2013, to earn a 50% interest in the property.

CEOCFO: That is a pretty heavy commitment on Roca's part!

Mr. O'Connor: It is a stunning commitment. Typically when you see news releases where junior exploration companies like Cream have joint ventured a property to another junior, intermediate or major mining company, the exploration commitment will run anywhere from \$1 to \$5 million over three to five years. So to have a commitment of \$12 million US over a four-year period is a stunning commitment and it speaks to the potential of Nuevo Milenio to be much bigger than it currently is. Roca Mines can earn a 70% interest in the property by completing a compliant feasibility study after they earned into their 50% interest. That is an example of the kind of leverage that is resident within Cream Minerals and that is what attracted me to the company. It is the upside, the good things that can be done with the company. In addition, we recently optioned a property in Manitoba. We reviewed all the historical exploration work on that property and the ground surrounding that property and we ended up staking four additional claims surrounding the property. We are in the process of completing our initial work including an induced polarization study. We have high hopes for this property. In the middle of the original claim that we optioned there is a large outcrop, which is approximately 250 meters by 400 meters. Between chip samples and channel samples, they returned anywhere from 4 grams per tonne gold up to 43 grams per tonne gold. 43 grams for US readers would be about 1.3 ounces per tonne gold.

CEOCFO: I understand your strategy is to go for underexplored properties and historic mining camps; why have you chosen that avenue?

Mr. O'Connor: There are two ways you can approach it. The way that Cream Minerals does it is to look for underexplored properties in areas of known mineralization and areas where other companies have achieved significant exploration results and other companies that are operating mines. The second one is to go out and buy or option a property that has a compliance resource calculation. If you choose the latter path, you could be looking at several million dol-

lars upfront just to get into the property. Then you could be looking at several more million dollars to advance the property to the point where you could make a production decision or option that property to a producer for a net-smelter royalty. For a junior that will require some pretty significant financing activities and they can be quite dilutive. If a company employees Cream's strategy of looking for underdeveloped and underexplored properties within districts where other companies have been successful, typically you can option those properties inexpensively. As an example for the property that we optioned in Manitoba, the total expense to Cream over five years to earn 100% interest in the property will be \$100,000 Canadian and 400,000 shares of Cream, which is not that expensive. Nuevo Millineo, we actually staked that property and our total staking cost was just over \$10,000 US and after spending about \$3 million on the property we now have a resource that is worth between \$8 and \$8.5 million Canadian. It is a higher risk strategy, and it can be a more difficult strategy. However, the upside through employing Cream's strategy can be very significant and can yield very good returns to the investors.

CEOCFO: Let's talk about the potential for silver!

Mr. O'Connor: Silver is the unrecognized and to a degree the unloved precious metal. Everybody follows gold; everybody loves gold. Gold gets all the media coverage and certainly gold is deserving of all the coverage and attention that it gets. Gold traditionally has been mentioned many times in the past and has been mentioned often today as a store value. It can be an alternative currency in a time when paper currencies are being aggressively debased through a country's or central bank's monetary policy. Silver is also a store value, it is also an alternative currency during times of currency debasement. Silver also has a longer history of being a currency than gold does, and that history extends back almost 5000 years. In addition, silver has

a much broader industrial use than gold does. Silver is a critical component in technology applications, industrial manufacturing applications and also in medical technology. In an improving economy, in a strong precious metals market, when you consider that silver is trading at a discount to its historical price ratio to gold, if gold continues to rally and at Cream, we believe it will, we also firmly believe there will be a catch-up move by silver. To state it in another way, we think that silver will in percentage terms outperform gold over the short and intermediate run.

CEOCFO: Would you touch on some of your other properties?

It is a stunning commitment. Typically when you see news releases where junior exploration companies like Cream have joint ventured a property to another junior, intermediate or major mining company, the exploration commitment will run anywhere from \$1 to \$5 million over three to five years. So to have a commitment of \$12 million US over a four-year period is a stunning commitment and it speaks to the potential of Nuevo Milenio to be much bigger than it currently is. Roca Mines can earn a 70% interest in the property by completing a compliant feasibility study after they earned into their 50% interest. That is an example of the kind of leverage that is resident within Cream Minerals and that is what attracted me to the company. It is the upside, the good things that can be done with the company. - Michael E. O'Connor

Mr. O'Connor: We have two properties in British Columbia; one is called the Kaslo Silver Property. It is in southeastern British Columbia. We have data on that property going back to the early 1900's and there were several small producing mines on the property. We have conducted exploration work on the property and we have returned values of approximately 200 grams per tonne silver from our exploration work. It is a seasonal property as it is about 3800 feet above sea level, so it is currently under snow and will be until spring. But none the less, 200 grams of silver is an attractive number and we plan on doing work on that property in the summer of 2010. We have another property called the

Goldsmith Gold Property, which is also in southeastern B.C. It is about 60 kilometers away from the Kaslo property. The Goldsmith Property is an earlier stage exploration property and it has returned very high gold samples or gold assays based on graph samples and limited chip samples from trenching. It is like the Kaslo Silver Property, it is about 3,500 feet and it is also snowed in for the winter, so it is a property that we plan to do some work on in the spring and summer of 2010. We have one other exploration concession, which is a bit of an outlier for Cream in that it is an offshore alluvial diamond concession off the coast of Sierra Leone. Work was done on that property in 1995 and 1996 in 2005. That

work, especially the 2005 program, returned gem-quality diamonds in impressive quantities, and also returned interesting values for heavy metals and some rare earths. We are in the process of trying to strike a joint venture arrangement for that property. The last property that Cream has is a nickel/copper property in Manitoba. Exploration work that we conducted on the property in 2007 including drilling, returned one assay of 1.2% nickel, 2.3% copper, moderate values for gold, silver, platinum, palladium and cobalt over 66 feet. Those are very impressive results.

CEOCFO: What is the financial picture at Cream Minerals

today?

Mr. O'Connor: Like all juniors, we don't carry a lot of cash in the bank. Particularly in this environment given the cost of capital, we work hard to suppress costs everywhere with the exception of exploration work and we seek to raise money when the opportunity presents itself. As an example, we tend to do small financings and like a lot of juniors our share price sold off significantly during the market drop into the 2009 lows. You don't want to raise too much money at these prices, so we tend to do small financings, work to build value in the properties and try to communicate that value to the marketplace in the hopes that

the company will be rewarded with a better share price going forward, which will allow us to do less dilutive financings.

CEOCFO: Are you looking at other properties?

Mr. O'Connor: We are looking at properties in Mexico. Currently we have reviewed eight properties. There are two on the short list and we are negotiating with the owners of the properties for short-term option agreements, where for a nominal amount we would have a 4-month option to do initial exploration work. Then based on the results for the program, decide whether or not we would enter into a longer term, such as a five-year option agreement for each of the properties. Those agreements could be terminated at any time at Cream's option. There are two other properties which recently came to our attention that we are going to have a have a look at. Therefore, once we finish doing a little bit more

work and help Roca get ready for their initial drill programs, we will make a decision on one of the properties and then pursue the initial exploration work on it.

CEOCFO: Final thoughts, why should potential investors choose Cream Minerals out of the pack?

Mr. O'Connor: Very simple, value. As I said earlier in the interview the silver/gold asset in Mexico is worth roughly \$8 million to \$8.5 million Canadian. Our market cap is \$4.8 million Canadian. The asset in Mexico is going to have \$12 million US spent on it, the first million dollars has to be spent by July 24th of 2010, and then another \$2 million by July 24th of 2011. If those exploration programs are reasonably to very successful and we expect that they will be, and Roca expects that they will be as well, then there will be an incredible news stream and hopefully a news stream that contains very good news. So as that news stream is dis-

seminated to the market place, Cream's shares should be re-rated higher. The other reason that investors should have a look at Cream Minerals is based on the initial results from the work being done in Manitoba on the new property that we acquired, the Blueberry Property, and it looks to be highly prospective. Quite often in mineral exploration, things don't always work out the way you think they do. But if the Blueberry Property turns out to be as prospective as we think that it will be, that could also deliver substantial value to the investors of Cream and result in Cream's share value being re-rated upwards. In summary, Cream is undervalued relative to the value of the properties and relative to the amount of money that is going to be spent on exploration over the next four years.



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