

TGS → KASLO SILVER

884479



LOCATION AND ACCESS:

The Kaslo Silver Property is located approximately 12 kilometers west of the community of Kaslo in southeastern British Columbia. The property consists of 3,500 hectares of land in 137 mineral units, 16 crown grants, 11 reverted crown grants and a 3 claim mineral lease. Access to the property from Kaslo is via Highway 31A. New logging roads and numerous old mining roads and trails provide access across the property.

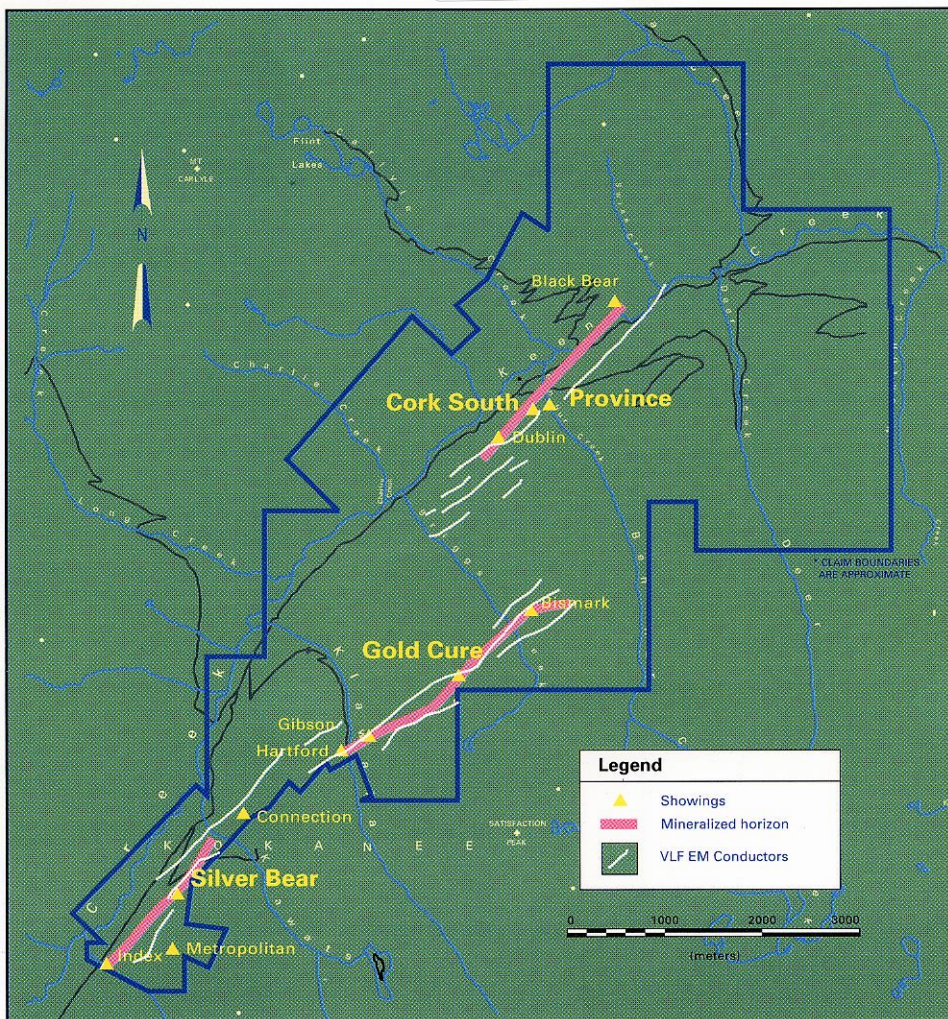
HISTORY:

The Kaslo Silver Property lies within the historic Keen Creek Silver Belt. The property includes ten former high-grade silver mines that operated on the property from 1895 to 1953. Historical records show that silver grades ranged from 100 to 5,000 g/t silver and the largest producer in the camp, the Cork-Province mine, reported 210,000 tons of production.

GEOLOGY:

Silver, lead and zinc mineralization is controlled by a series of parallel, steeply-dipping shear zones with widths up to 25 meters over a nine kilometer strike length. Along these structures, argentiferous galena, sphalerite, chalcopyrite and pyrite mineralization occurs as fissure fillings and as massive aggregations and fracture fillings within adjacent limestone bands.

Disseminated mineralization is present within the wallrocks up to 30 meters away from the main mineralized fractures. Associated ankerite, siderite, quartz and calcite are commonly present.



PROPERTY MAP

THE GEOPHYSICAL SURVEYS CLEARLY DEFINE THE EXTENT OF THE ORE-CONTROLLING SHEARS. SOIL GEOCHEMICAL SAMPLING SHOWS ANOMALOUS SILVER, LEAD AND ZINC VALUES ALONG THESE STRUCTURES.

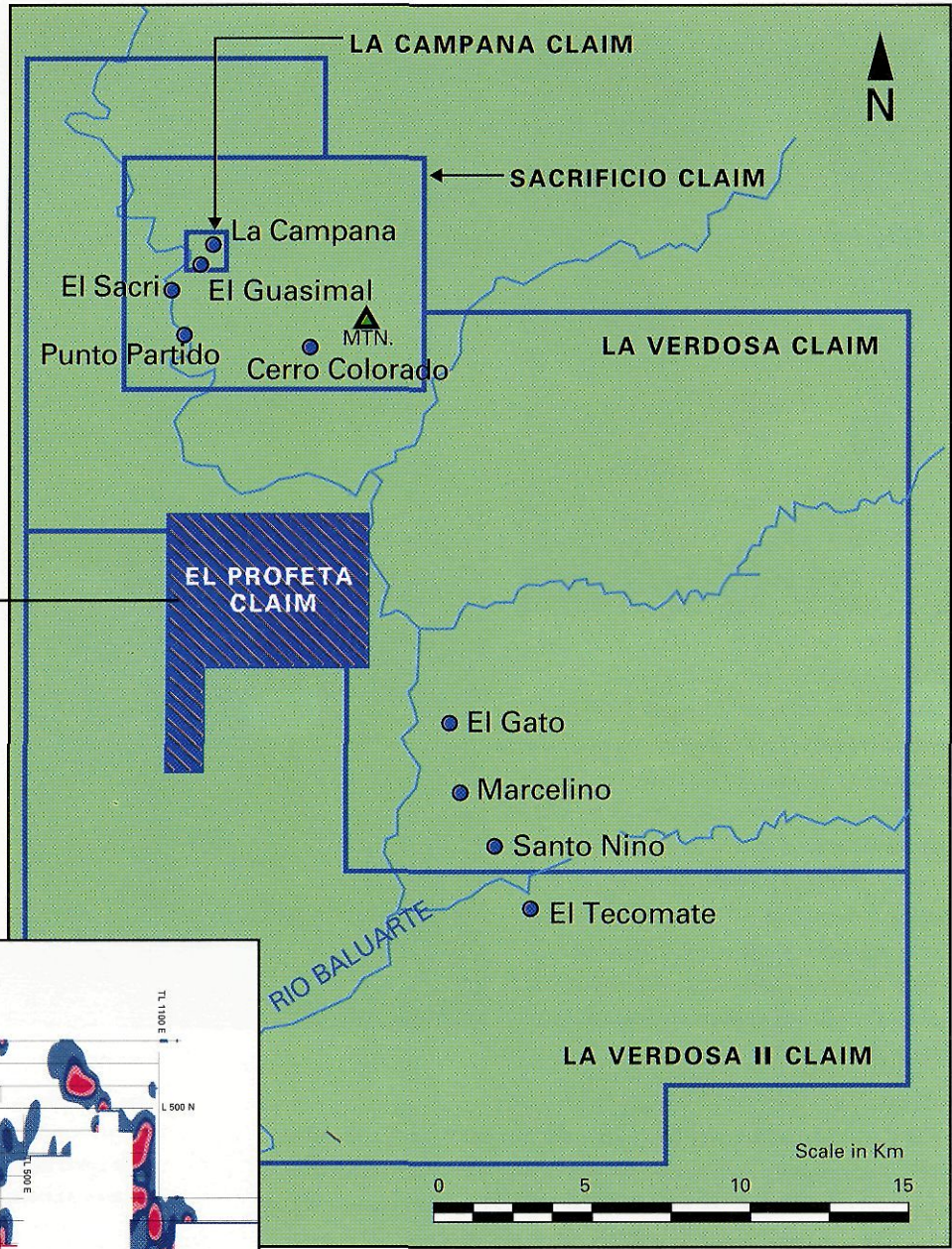
Vertical mineral zoning occurs through a minimum 1,000 meters of elevation with greater silver concentrations at high elevations and greater zinc concentrations at lower elevations.

EXPLORATION PROGRAM:

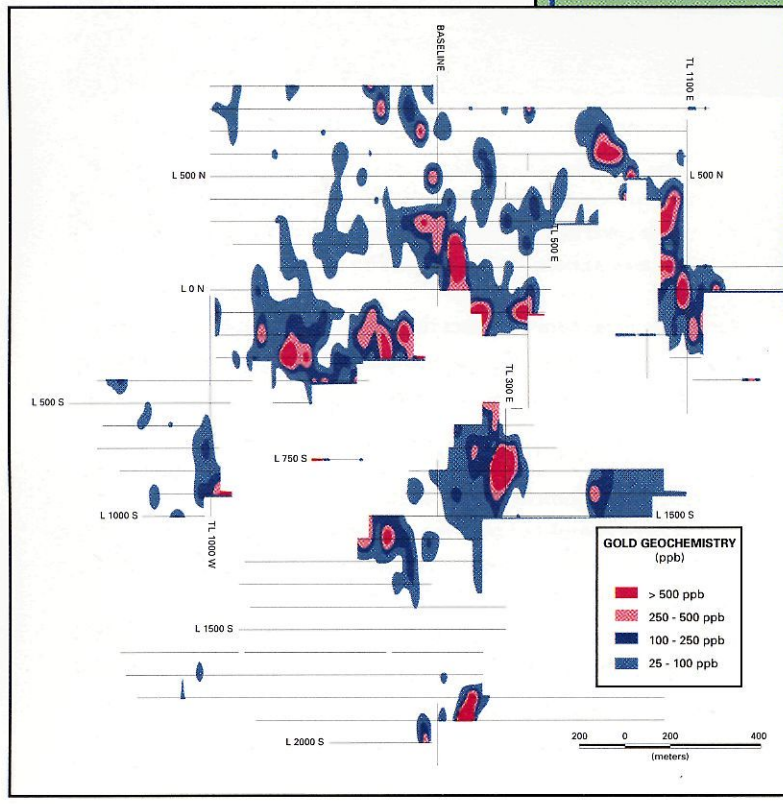
To date, 51.7 kilometers (32.1 miles) of VLF-EM geophysical coverage has been completed over the property. In addition, 1,459 soil samples have been taken over the mineralized shear trends on the Cork, Silver Bear and Gold Cure zones.

Surface exploration conducted throughout the property from July to October 1997 resulted in discovery of significant silver-lead-zinc results over three new occurrences of bedrock mineralization: the Cork-South zone, the Silver-Bear zone and the Gold Cure zone.

PROPERTY MAP
LA VERDOSA



PROPERTY BORDERS ARE APPROXIMATE



GOLD GEOCHEMISTRY

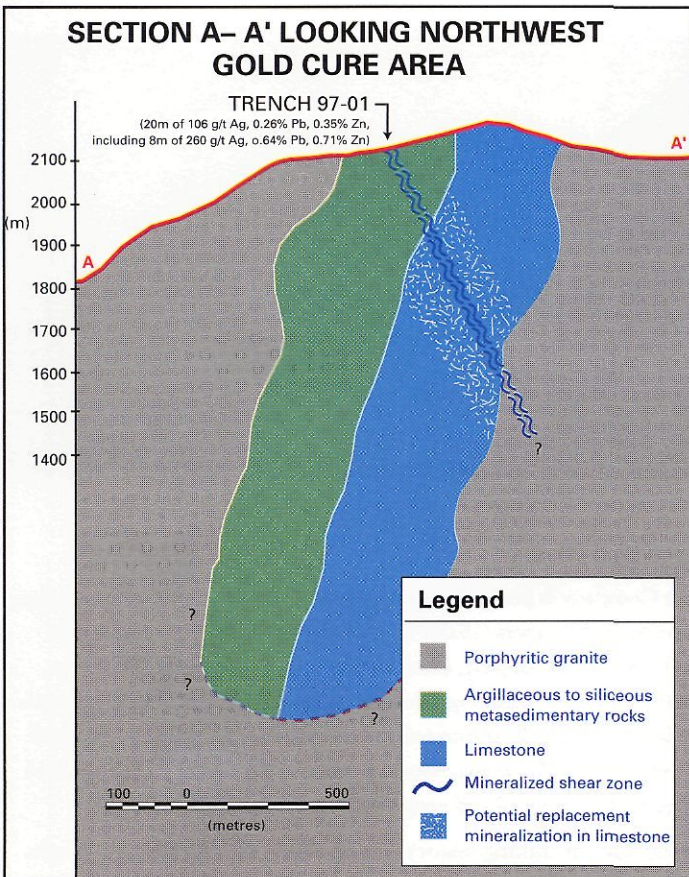
EL PROFETA CLAIM

GEOCHEMICAL RESULTS SHOW SEVERAL EXTENSIVE GOLD SOIL ANOMALIES ACROSS THE LOS PLACERES TARGET. GOLD VALUES UP TO 32,000 PPB OCCUR OVER THE CENTRAL ANOMALY WHERE FUTURE DRILLING IS PLANNED.

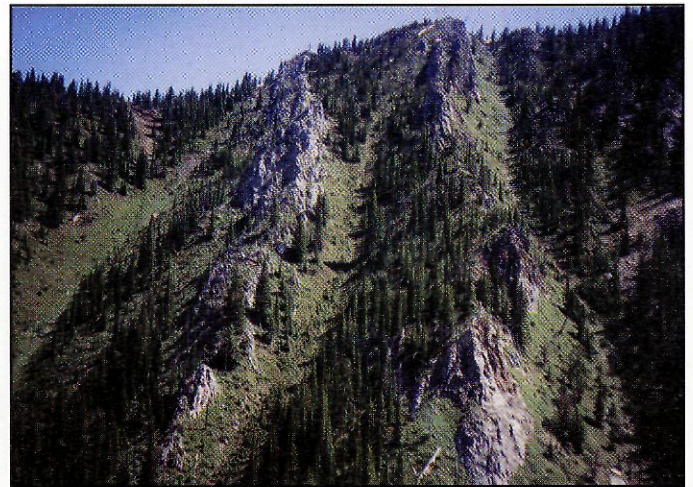


PLAN VIEW OF GEOLOGY
GOLD CURE ZONE

▼ EXPOSURES OF THE
FAVORABLE LIMESTONE
HOST AT GOLD CURE



SCHEMATIC CROSS SECTION OF SHEAR-LIMESTONE CONTACT
AT GOLD CURE

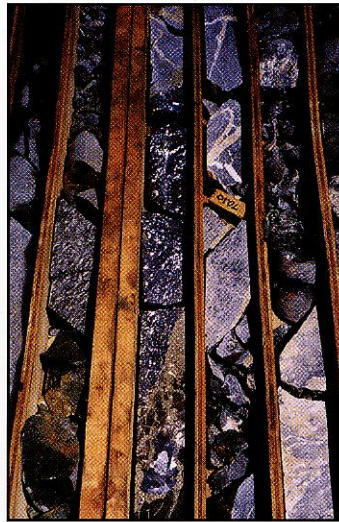


Gold Cure Zone: The Gold Cure zone has presently been traced for 3.0 kilometers by VLF-EM surveys and remains open to the north. Geological mapping shows the structure is a single 25 to 80 meter wide northeast trending shear zone that controls four former high grade silver producers, namely the Hartford, Gibson, Gold Cure and Bismark (historical production figures show an average grade of 1,948.0 g/t silver, 16.0% lead and 8.0% zinc).

Geochemical results reveal that this zone contains anomalous silver, lead and zinc values throughout its length. On the Bismark working, the shear runs parallel to and intersects a 100 meter wide, steeply-dipping limestone band that carries both shear-hosted and replacement-style silver, lead and zinc mineralization near the shear- limestone contact. Geological interpretation indicates that this favorable shear-limestone contact may exist at depth along the entire length of this structure. The area will be drill tested in Early Fall 1998.

Cork-South Zone:

In December 1997 diamond drilling undertaken over the Cork south zone resulted in the discovery of a 6.5 meter wide zone that assayed 179.52 g/t silver, 5.12% lead and 7.33% zinc. In May 1998, the company completed an additional 381 meters of diamond drilling over the Cork-South zone. Drill results confirmed bedrock mineralization in 4 out of 5 drill holes and demonstrated that important silver grades may extend to depth. Significant intersections are as follows:



DRILL CORE FROM MINERALIZED SHEAR ZONE

Cork South Drill Results

| HOLE | From (m) | To (m) | Length (m) | Silver (g/t) | Lead % | Zinc % |
|-----------------|----------|--------|------------|--------------|--------|--------|
| Dec 1997 | | | | | | |
| 97CP-3 | 4.00 | 11.60 | 7.60 | 93.83 | 2.58 | 5.28 |
| 97CP-4 | 3.90 | 25.00 | 21.10 | 209.27 | 6.02 | 8.09 |
| May 1998 | | | | | | |
| 98CP-2 | 39.57 | 44.85 | 5.28 | 129.53 | 3.56 | 4.52 |
| Including | 42.00 | 44.85 | 2.85 | 199.20 | 5.74 | 6.26 |
| 98CP-3 | 37.96 | 39.17 | 1.21 | 122.41 | 3.66 | 2.55 |
| And | 47.01 | 51.65 | 4.64 | 129.02 | 2.51 | 4.38 |
| 98CP-4 | 55.76 | 56.66 | 0.90 | 121.90 | 3.33 | 1.36 |
| 98CP-5 | 57.45 | 72.24 | 14.79 | 211.10 | 5.06 | 2.50 |
| Including | 70.80 | 72.24 | 1.44 | 1,980.50 | 47.90 | 10.53 |

In the Cork-South zone, geological mapping together with geophysical and geochemical surveys, have traced the mineralized shear for 1.6 kilometers northeast and 1.5 kilometers southwest from the drill tested area. Along this structure geological mapping has delineated numerous favorable host-limestone horizons which intersect the shear suggesting potential for significant deposits of replacement-style mineralization.

Silver Bear Zone:

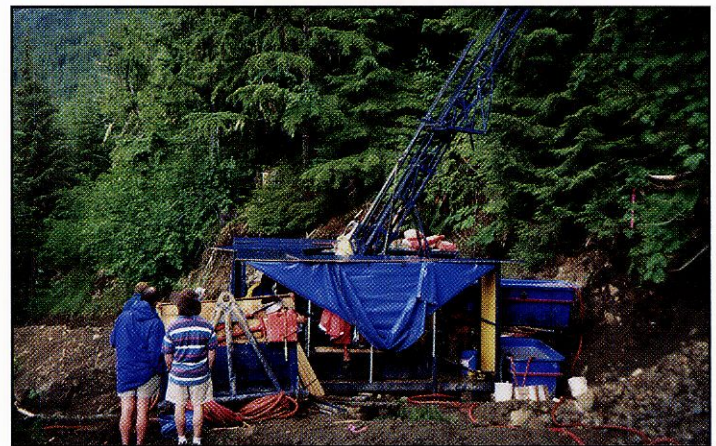
Located in the southern portion of the property, the Silver Bear zone was trenched in November 1997 and intersected a 7.5 meter wide shear zone that carried 371.6 g/t silver, 3.26% lead and 4.94% zinc.

In June 1998, 411 meters of diamond drilling was carried out over the Silver Bear zone. Consistent with the Cork-South assays, results confirmed bedrock mineralization and verified that important silver grades may extend to depth. Significant intersections are as follows:

Silver Bear Drill Results

| HOLE | From (m) | To (m) | Length (m) | Silver (g/t) | Lead % | Zinc % |
|------------------|----------|--------|------------|--------------|--------|--------|
| June 1998 | | | | | | |
| SB-02 | 46.63 | 48.11 | 1.48 | 33.61 | 1.02 | 1.94 |
| And | 62.05 | 64.01 | 1.96 | 124.17 | 0.79 | 1.21 |
| And | 71.56 | 73.05 | 1.49 | 137.89 | 0.05 | 0.78 |
| SB-05 | 5.89 | 9.14 | 3.25 | 390.05 | 3.76 | 1.07 |
| Including | 5.89 | 6.40 | 0.51 | 2,271.00 | 22.60 | 5.34 |
| SB-06 | 9.82 | 15.32 | 5.50 | 68.54 | 0.37 | 1.43 |
| Including | 9.82 | 10.36 | 0.54 | 574.50 | 1.11 | 5.22 |

The Silver Bear shear zone has now been traced by geophysics and geochemistry for a total length of 1.2 kilometers. The shear averages 25 meters in width and hosts three sub-parallel mineralized bands. It is believed to be the southern extension of the Gold Cure shear zone. The geophysical survey indicates that the area tested by recent drilling represents a cross structure to the main shear zone and is located 100 meters north of the principal mineralizing structure. The primary structure will be drill tested in August 1998 as part of the phase II drill program.



DIAMOND DRILLING OVER THE SILVER BEAR ZONE

FUTURE WORK:

The Company is proceeding with a \$660,000 exploration program that involves 3,050 meters (10,000 ft) of diamond drilling in conjunction with geological mapping, excavator trenching, geophysical surveys and geochemical sampling. Phase II of the diamond drilling program is under way and will continue to target the Silver Bear, Gold Cure and Cork-South zones where favorable structural geology is accompanied by good geochemical and geophysical response.

In view of the mining history of this camp, the encouraging results obtained to date and the excellent width and length of the Gold Cure, Silver Bear and Cork structures, this property is considered to have outstanding potential for important silver mineralization. The Company's goal for the 1998 season is to demonstrate the property's potential for a minimum 5,000,000 tonne resource.



CREAM MINERALS LTD.

STOCK SYMBOL
CMA.VSE

KASLO SILVER PROPERTY

Three silver targets
discovered by exploration
in 1997 prove up exceptional
drill and trench results



THE PROPERTY IS LOCATED 90 KM NORTH OF COMINCO'S LEAD-ZINC SMELTER AT TRAIL, BC

THE CORK SOUTH ZONE

Diamond drilling gave a weighted average grade of 179.52 g/t (5.30 oz/t) silver, 5.12% lead and 7.33% zinc across a true thickness of 6.5 meter (22 feet). The drill intersections indicate a contained metal value of US\$136.00 per ton at present metal prices.

THE SILVER BEAR ZONE

Trenching gave a weighted average grade of 371.6 g/t (11.0 oz/t) silver, 3.26% lead and 4.94% zinc across an interpreted true width of 7.5 meters (25 feet).

THE GOLD CURE ZONE

Trenching gave an average grade of 416.0 g/t (12.1 oz/t) silver, 1.20% lead and 0.63% zinc across a true width of 4.0 meters (13 feet).

DIRECTORS

- Frank A. Lang - Director & President
- Arthur G. Troup - Director & VP Exploration
- Sargent H. Berner - Director
- Ronald M. Lang - Director
- William J. Witte - Director

SHARES LISTED

- Vancouver Stock Exchange
- Symbol: CMA
- S.E.C.: 12(g)3-2(b): 82-4739

SHARE CAPITALIZATION

- Outstanding: 7,959,087
- Fully Diluted: 9,981,187
- (April 98)

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SILVER

an upward trend 

"Silver – A Brighter Gleam Than Gold ... prices as high as \$9.00/oz will be required to inhibit demand enough to eliminate the deficit..."

Felix Freeman of Scotia Capital, October 1997.

"Warren Buffett's huge silver purchase spurred a scramble for silver stocks earlier this month. What investors found, however, was a very limited selection."

Barrons, February 1998

"One of George Soros's hedge funds has a sizable stake in Apex [market cap \$300 million], which was formed in 1993 to develop silver mines around the world"

Barrons, February 1998

Silver price soared from US\$4.27/oz on 27th July 1997 to US\$7.31/oz on 4th February 1998, a 71% increase in commodity price during the period.

"I believe that silver has begun a long term uptrend, and is the metal most likely in the near term to bestow a rising tide effect on the junior resource market."

Kaiser Bottom - Fishing Report, February 1998

INVESTMENT HIGHLIGHTS

- Cream Minerals Ltd. is exploring three new silver discoveries on its Kaslo Silver Property in British Columbia, Canada.
- The historic property hosts nine, former, high-grade silver deposits.
- A \$660,000 drilling and exploration program is scheduled for May 1998.
- Cream Minerals is also actively exploring its 300 square mile La Verdosa Property in Durango, Mexico.
- Market Capitalization approx. US\$6 million.

SILVER - SUPPLY AND DEMAND PROJECTION



Source: CPM Group New Fidelity

"Silver boom...its real"

Randol Mining Opportunity Bulletin, March 1998

TGS → Kaslo Silver

MINING OPPORTUNITY BULLETIN

Winter 1997/Spring 1998

VOLUME 5, NUMBER 1

Cream: a junior silver opportunity mob16.13

Mining Opportunity Bulletin has been very bullish on silver for a couple of years and still is. We believe that the next exploration boom will be for silver and that the price will continue to escalate. The difficulty has been to get in early on a good silver play. All the more advanced silver resource plays seem to be priced at a premium. *Mining Opportunity Bulletin* has been on the lookout for early-stage silver opportunities which have not yet appreciated significantly. In the course of this search **Cream Minerals Ltd (CMA-VSE)** came to our attention. With 7.7 million shares outstanding (9.9 million fully diluted), and a share price around C\$0.85, the market cap is still relatively small.

Kaslo silver property

Cream Minerals displayed an impressive silver-zinc-lead drillcore from its Kaslo silver property in eastern British Columbia at its booth at the Cordilleran Roundup in Vancouver. Their discovery of a 6-7m-wide silver-rich mineralized zone in a series of parallel, steeply dipping, northeast-trending shear zones that have been mapped for more than nine kilometers along strike made a good story. The Kaslo district is said to be one of British Columbia's earliest silver camps. Old-timers went in with donkeys for the summer and hauled out hand-cobbed high grade silver ore for years. The district was extensively mined for high grade by a host of individual miners each on his own small workings. High grade shoots were mined within a disseminated halo sometimes up to 100 ft across. The location is just a 2-hour truck haul from Trail. Mining never went below the water table, and apparently this is the first time that a large regional land package has been assembled to explore the big picture. The fact that this camp is within easy

reach of Cominco's Trail smelter and refinery added to the attraction, but also raises the question as to why Cominco and others would not have carefully examined this property before now.

On January 16, Cream Minerals reported that diamond drilling on its Kaslo silver property in southeastern B.C. had intersected an exceptionally good silver-lead-zinc mineralization. Three holes 97CP-3, 97CP-4 and 97CP-5, were fan drilled at varying deep dips from - 50° to 90° from a single drill station in the Cork South area of the property. Drill hole 97CP-3 intersected semi-massive to massive galena, sphalerite and pyrite mineralization over a drill length of 7.5 m grading 95.83 g Ag/t, 2.58% Pb and 2.58% Zn. Drill hole 97CP-4 intersected similar mineralization over 21.1 m including 16.1 m grading 257.33 g Ag/t, 7.45% Pb and 9.59% Zn.

The three holes were drilled at the west end of the Cork South trench (see map) and confirmed trenching results reported by the company in November. Mineralization is hosted in a carbonate rock that represents the down-dip extension of mineralization uncovered in previous trenching. The zone has an interpreted true thickness of 6 to 7 m with a weighted average grade of 179.52 g Ag/t, 5.12% Pb and 7.33 % Zn. The drill intersections indicate a contained metal value of US\$136.00 per tonne at then prevailing metal prices of \$5.80/oz Ag, \$0.25/lb Pb and \$0.52/lb Zn.

The Kaslo silver district is located between 3500 ft and 7000ft above sea level in forest country that is now being lumbered. Cream has applied for permits to cut roadways for drill access which will enable the company to test the structure for continuity at depth, they hope in the coming spring-summer season.

Exploration in Mexico

In addition, Cream holds extensive exploration concessions for gold and silver in Durango state, Mexico. Channel samples returned some excellent silver and gold values. For years we have heard about promising gold and silver shows in and around the towns like Pueblo Nuevo and El Zapota in the Durango mountains inland from Mazatlan. It was therefore exciting to find that Cream Minerals has acquired huge claims right in the heart of this remote mountainous district with numerous erosion features exposing the frequently mineralized Lower Volcanic Unit of andesite-dacite composition.

During earlier gold-focused exploration efforts, geologists knowledgeable about Mexico dismissed the known occurrences as being "too high in silver" to be of much interest as gold targets. That is enough to spark the interest of a silver bull now that silver is back in the limelight again.

Conclusion

Exploration in general is down and it has become hard to raise capital. However, if silver booms as we expect, promising silver projects are likely to be able to raise money for exploration. Both of Cream Resources' major silver projects are exciting and *Mining Opportunity Bulletin* looks forward to following them. We hope at least one of them will have good news to report at the *Randol at Vancouver '98* conference in October.

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